Conservation Districts of Manitoba

Districts de conservation du Manitoba

Annual Report
2005-2006

Rapport annuel
2005-2006

Manitoba

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2007-01302/

MINISTER OF WATER STEWARDSHIP

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

September 15, 2006

His Honour The Honourable John Harvard, P.C., O.M.
Lieutenant-Governor of Manitoba
Room 235
Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

It is my pleasure to present to you this document: The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2006, along with the audited financial statements of the Districts for the same period.

Sincerely,

Steve Ashton
Minister of Water Stewardship

CONSERVATION DISTRICTS COMMISSION
Room 314, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

September 15, 2006

The Honourable Steve Ashton
Minister of Water Stewardship
Room 314, Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to present you with the Annual Report of the Conservation Districts for the fiscal year ending March 31, 2006.

With a continual focus on the concept of sustainability in Manitoba, this document effectively outlines the programs which have been developed by the Province's Conservation Districts in support of protecting, preserving, and promoting our environmental and economic resources.

Sincerely,

Gerry Berezuk
Chairperson, Conservation Districts Commission

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Conservation Districts Program

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Conservation Districts Program

Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts' Boards. The Commission, in turn, reports to the Minister of Water Stewardship. The legislation also requires the preparation of an Annual Report, which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District. The CD Secretariat is responsible for the administration of the program.

The Province provides annual funding to assist local Conservation Districts' Boards. In addition, the Districts receive funding from local landowners. Other sources of funds come from agencies such as Ducks Unlimited Canada and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other governmental and non governmental agencies. Provincial funding (grants) for the CDs is provided by Manitoba Water Stewardship. Other Provincial Departments such as Conservation and Agriculture, Food and Rural Initiatives also provide grants for specific projects.

Each Conservation District is required to prepare an integrated resource management plan. Through this process, each District is able to establish a long-term vision, set goals and produce a 5-year program and operating budget.

Programme des districts de conservation

Avant-propos

Le Programme des districts de conservation est régi par la *Loi sur les districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement de districts de conservation, ainsi que de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des districts de conservation. Cette Commission doit à son tour rendre compte au ministre de la Gestion des ressources hydriques. La *Loi* prévoit également la préparation d'un rapport annuel comprenant les éléments suivants : des mises à jour concernant la mise en œuvre des plans de gestion dans chaque district, des remarques générales sur les activités liées à la mise sur pied de nouveaux districts et un rapport préparé par un vérificateur pour chaque district. Le secrétariat des districts de conservation est responsable de l'administration du programme.

La Province verse un financement annuel pour appuyer les conseils locaux des districts de conservation. Les programmes sont également financés par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux autres organismes publics et privés. Le financement provincial (les subventions) accordé aux districts de conservation est versé par Gestion des ressources hydriques Manitoba. D'autres ministères provinciaux, comme les ministères de la Conservation, de l'Agriculture, de l'Alimentation et des Initiatives rurales peuvent aussi verser des subventions pour des projets particuliers.

Chaque district de conservation est tenu de préparer un plan intégré de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un programme et un budget de fonctionnement sur cinq ans.

Program Growth

- The East Interlake CD was formed as Manitoba's 17th CD, consisting of the Municipalities of Armstrong, Bifrost, Fisher, Rockwood, Rosser, and Gimli, Towns of Arborg, Stonewall, Teulon, and Winnipeg Beach, Villages of Riverton and Dunnottar.

- The Seine Rat River CD expanded their membership to include the RM of Hanover.

- Six draft proposals were completed in 2005-06 to establish new CDs or expand existing CDs. These include:
  - Lower Assiniboine River / Sturgeon Creek: RMs of Rosser, St. Francois Xavier, and Headingley
  - West Interlake: RMs of Grahamdale, Eriksdale, Siglunes, Coldwell, St. Laurent, Armstrong, Rockwood, and Fisher
  - Roseau River: RMs of Franklin, Stuartburn, Piney, Roseau Reserve, Montcalm, and Morris
  - Southwest Red River: RMs of Morris, Rhineland, Montcalm, and Roland, and Towns of Altona, Emerson, Gretna, Morris, and Plum Coulee
  - **Swan Lake Basin**: RMs of Mountain, Swan River, Minitonas, Towns of Swan River and Minitonas, and Villages of Benito and Bowsman
  - Seine-Rat River CD: (RMs of De Salaberry, Ritchot, Town of Ste. Anne and Village of St-Pierre-Jolys)

Expansion du programme

- Le district de conservation de l'est de la région d'Entre-les-Lacs est le 17e au Manitoba et est composé des municipalités rurales d'Armstrong, de Bifrost, de Fisher, de Rockwood, de Rosser et de Gimli, des villes d'Arborg, de Stonewall, de Teulon et de Winnipeg Beach, et des villages de Riverton et de Dunnottar.

- Le district de conservation des rivières Seine et aux Rats englobe à présent la municipalité rurale de Hanover.

- Six ébauches de projets ont été réalisées au cours de l'exercice 2005-2006 visant l'établissement de nouveaux districts de conservation ou l'élargissement de districts de conservation existants. Citons notamment:
  - la partie inférieure de la rivière Assiniboine et le ruisseau Sturgeon (les municipalités rurales de Rosser, de Saint-François-Xavier et de Headingley);
  - l'ouest de la région d'Entre-les-Lacs (les municipalités rurales de Grahamdale, d'Eriksdale, de Siglunes, de Coldwell, de Saint-Laurent, d'Armstrong, de Rockwood et de Fisher);
  - la rivière Roseau (les municipalités rurales de Franklin, de Stuartburn, de Piney, de Montcalm et de Morris, et la réserve Roseau);
  - la partie sud-ouest de la rivière Rouge (les municipalités rurales de Morris, de Rhineland, de Montcalm et de Roland, et les villes d'Altona, d'Emerson, de Gretna, de Morris et de Plum Coulee);
  - le bassin de Swan Lake (les municipalités rurales de Mountain, de Swan River et de Minitonas, les villes de Swan River et de Minitonas, et les villages de Benito et de Bowsman);
  - le district de conservation des rivières Seine et aux Rats (les municipalités rurales de de Salaberry et de Ritchot, la ville de Sainte- Anne et le village de Saint-Pierre-Jolys).

Program Activities

In 2005-06, the CD Program expended $7.0M toward land and water stewardship programming. The following is a summary of activities and/or accomplishments for the fiscal year 2005-06:

Program	2005-06	2004-05	2003-04	2002-03	Units
Crossings Repaired/ Replaced	171	230	123	189	crossings
Custom Seeding	55	21		28	km
Drain Licenses	129	101	55		reviews
Drain Const/Reconstruction	5				km
Drains Maintained	2,102	1,557	2,086	1,865	km
EFP Referrals	3				referrals
Education Programs	135	206	93	105	schools
Equipment Rental	695	1880	215		ha
Erosion Control	47	12	1		projects
Fisheries Projects	21	22	28	20	projects
Forage Seeded	3,770	10,518	10,673	19,381	ha
Forage/Soil Testing	10	19	17	56	projects
GIS Services	307	410	407	6	projects
Grassed Waterways	45	47	41	15	projects
Green Manure	2				projects
Gullies Repaired	25	12	16	8	projects
Informational Video	1				projects
Livestock Crossings/Stream Access	10	12	19	30	projects
Manure Management	5	6	9	8	projects
Pasture Management Systems	49	35	17		projects
Pasture Pipelines	1,038	47,546	111	29	km
Planned Grazing	13	36	49	36	projects
Private Well Testing	60				sites
Recreation/Tourism	19	13	14	7	projects
Resource Management Plans	8	9	7		projects
Ring Dykes	1	2	3		projects
Riparian Exclusion Fencing	38	44	61	8	km
Rotational Winter Feeding	5	2			projects
Salinity Seed/ Barrier	1,381	60			projects
Shelterbelts	87	121	146		km
Stream bank Stabilization	56	25	18	22	projects
Sub-Division Applications	71	68	20		reviews
Swath Grazing	10	6			projects
Tours/ Demonstrations/ Extensions	81	129	108	93	projects
Trees Planted	97,162	68,180	101,300	28,525	trees
Water Pump Rental	19	24	15		projects
Water Retention	54	58	44	85	projects
Water Testing	701	575	102		projects
Watering Systems	47	55	82	86	projects
Watershed Plans	12	15	16	11	projects
Wells Sealed	282	297	289	221	wells
Wells New/Maintained	20	40	25		wells
Wildlife Habitat Projects	40	23	32	74	projects
Winter Cereals	2,208	444	596.93	1,230	ha
Woodlot Program	3				projects

Activités du programme

En 2005-2006, le Programme des districts de conservation a consacré 7 millions de dollars aux programmes de gestion des eaux et d'aménagement des terres. Voici un résumé des activités et des réalisations accomplies au cours de l'exercice 2005-2006 :

Programme	2005-2006	2004-2005	2003-2004	2002-2003	Unités
Réparation et remplacement des traverses	171	230	123	189	traverses
Semis à forfait	55	21		28	km
Permis de drainage	129	101	55		évaluations
Construction et reconstruction des canaux de drainage	5				km
Entretien des canaux de drainage	2 102	1 557	2 086	1 865	km
Renvois au programme de planification agricole environnementale	3				renvois
Programmes éducatifs	135	206	93	105	écoles
Location d'équipement	695	1880	215		ha
Lutte contre l'érosion	47	12	1		projets
Projets piscicoles	21	22	28	20	projets
Plantation de fourrages	3 770	10 518	10 673	19 381	ha
Analyses de fourrages et de sols	10	19	17	56	projets
Service d'information géographique	307	410	407	6	projets
Voies d'eau gazonnées	45	47	41	15	projets
Engrais vert	2				projets
Restauration des ravines	25	12	16	8	projets
Vidéo d'information	1				projets
Accès aux cours d'eau et voies de passage pour le bétail	10	12	19	30	projets
Gestion du fumier	5	6	9	8	projets
Systèmes de gestion des pâturages	49	35	17		projets
Canalisations d'eau dans les pâturages	1 038	47 546	111	29	km
Planification des pacages	13	36	49	36	projets
Analyse d'eau de puits privés	60				sites
Loisirs et tourisme	19	13	14	7	projets
Plans de gestion des ressources	8	9	7		projets
Digues circulaires	1	2	3		projets
Clôturage d'exclusion le long des rives	38	44	61	8	km
Alimentation des animaux en rotation pendant l'hiver	5	2			projets
Lutte contre la salinité - Graines tolérant la salinité	1 381	60			projets
Brise-vents	87	121	146		km
Stabilisation des rives	56	25	18	22	projets
Demandes en vue d'effectuer des subdivisions	71	68	20		évaluations
Pâturage sur andains	10	6			projets
Visites guidées, présentations et activités de vulgarisation	81	129	108	93	projets

Plantation d'arbres	97 162	68 180	101 300	28 525	arbres
Location de pompes à eau	19	24	15		projets
Rétention des eaux	54	58	44	85	projets
Analyses de l'eau	701	575	102		projets
Systèmes d'arrosage	47	55	82	86	projets
Plans d'aménagement de bassins versants	12	15	16	11	projets
Fermeture des puits	282	297	289	221	puits
Construction et entretien de puits	20	40	25		puits
Projets relatifs à la faune et aux habitats naturels	40	23	32	74	projets
Céréales d'hiver	2 208	444	59 693	1 230	ha
Programme des terrains boisés	3				projets

Conservation District Grants
Subventions aux districts de conservation

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation programs.

Les subventions provinciales couvrent jusqu'à 75 % du coût des programmes des districts de conservation. Ces subventions sont versées pour aider les districts locaux à mettre en œuvre leurs programmes, notamment l'entretien et la réhabilitation de l'infrastructure de drainage, la préservation du sol, le stockage d'eau, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de programmes de conservation des ressources.

CONSERVATION DISTRICT GRANTS 2005-06
SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2005-2006

DISTRICTS/DISTRICTS	PROVINCIAL GRANTS	SUBVENTIONS PROVINCIALES
Alonsa	$240,000	240 000 $
Cooks Creek / Ruisseau Cooks	$275,000	275 000 $
East Interlake / Est de la région d'Entre-les-Lacs	$75,000	75 000 $
Intermountain	$220,000	220 000 $
Kelsey	$153,000	153 000 $
La Salle Redboine	$225,000	225 000 $
Lake of the Prairies / Lac des prairies	$136,000	136 000 $
Little Saskatchewan River / Rivière Little Saskatchewan	$170,000	170 000 $
Mid Assiniboine River / Partie médiane de la rivière Assiniboine	$110,000	110 000 $
Pembina Valley / Vallée de la Pembina	$390,000	390 000 $
Seine-Rat River / Rivières Seine et aux Rats	$200,000	200 000 $
Tiger Hills	$110,000	110 000 $
Turtle Mountain	$314,000	314 000 $
Turtle River / Rivière Turtle	$400,000	400 000 $
Upper Assiniboine River / Partie supérieure de la rivière Assiniboine	$250,000	250 000 $
West Souris River / Ouest de la rivière Souris	$215,000	215 000 $
Whitemud	$700,000	700 000 $
TOTAL	***$4,183,000***	***4 183 000 $***

NOTE: Refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

NOTE: Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

Alonsa Conservation District

Introduction

The Alonsa Conservation District (ACD) encompasses approximately 4,450 km^2 along the western shores of Lake Manitoba. Agriculture is the predominant land use in the District. The ACD has been involved in soil and water management programs since its inception in 1978. ACD focuses on improving environmental stewardship practices with their soil and water management programs.

The landscape of the District consists of a series of gentle undulations of ridges and sloughs, and includes the watersheds of Garrioch Creek, Sucker Creek, Hamlin Drain, and Reedy Creek. These watersheds drain into Lake Manitoba, Ebb & Flow Lake, and Lonely Lake.

District programs focus on water, soil, fish, and wildlife and forestry management. The District also supports historical, educational, and recreational projects.

ALONSA CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#107 – Crane River/Hamlin Drain	Fred Taylor	Rorketon
#110 – Garrioch Creek	Danny North	Alonsa
#113 – Lonely Lake/Ebb & Flow	Eldon Campbell	Kinosota
#157 – Weiden Drain	Steve Sliworsky	Rorketon
#160 – Kinosota Ridge	Allan Carriere	Amaranth
Provincial Appointee and Chairperson	Edward Zdan	Alonsa

Summary

The ACD supports and encourages a variety of project and program activities. These activities include channel maintenance, crossing repair and replacement, pickerel spawning, forage seed planting, soil conservation, forestry, wildlife tree planting, trail maintenance, aboriginal historic sites, and park projects. The ACD Board is committed to educational and extension activities to fulfill its mandate of conserving, sustaining, and preserving the diversity of this unique area while strengthening the local economy.

The ACD continues to enjoy funding support from a variety of partners for its diverse programs. Manitoba Water Stewardship provides ongoing annual funding for the District, and other sources of funding come from the Fisheries Enhancement Fund, the Green Team Program, the Special Infrastructure Program, Manitoba Hydro, Manitoba Métis Federation, Lake Manitoba Fishermen's Association, and Manitoba Culture, Heritage and Tourism. As well, the ACD forms funding partnerships with local producers for programs that focus on common interests in the environment and sustainable development.

TOTAL EXPENDITURE 2005-2006

Activity		**Expenditure**
Projects/Programs		$259,490
Administration/Board/Other Costs		$ 58,104
Depreciation		$ 2,865
Soils		$ 60,183
Public Relations and Education		$ 15,467
Fisheries		$ 17,732
Wildlife		$ 9,143
GST Recovered		- ($ 10,780)
	TOTAL	**$412,204**

For further detail see Auditor's Report, Appendix A.

Water Management

Activities include:

- Geographical Information System (GIS) Drains information documentation
    - New information and updates
    - Mapping supplies
- Drain Maintenance
    - Cleanout - 19 km
    - Flood Alleviation & Protection – six sites
    - Vegetation Control Projects - 22 sites totaling 40 km.
    - Beaver Dam/Debris Removal – 16 sites
    - Equipment repair
    - Installations of berms - NE27-20-10W, and Pettyjohn location.
    - Highfield Drain Project.
- Tours and meetings re: program projects planning and development
- Water Management Plan
- Sealing and capping of abandoned wells – four applications

Soils and Forestry

Activities include:

- Maintenance of established tree planting sites;
- PFRA Leafy Spurge Project;
- Forage Incentive Project with 65 producers' participants establishing permanent cover on 2,570 acres;
- Saline Soil Forage Establishment Initiative Projects - two sites;
- Riparian Projects - 5 km;
- Seeding Berms & Water Management Projects;
- Woodlot Association and Manitoba Algologist Association Memberships; and
- Land Management Planning Project GIS Projects -53 Producers

Wildlife/Fisheries

Activities include:

- Pickerel Spawning Project with 12 million fry distributed in Lake Manitoba, partially funded by grants provided by the Manitoba Métis Federation ($8,123.53) and the Lake Manitoba Fishermen's Association ($2,000.00)
- Bird Feeders Incentive Program
- Initial stages of Fisheries Habitat Inventories Project
- Upgrading Pickerel Spawning Hatchery Equipment
- Co-operative employment project with Manitoba Métis Federation ($8,123.53) on Fish Spawn Project

Public Education

Activities include:

- Green Team Student Employment Program
- Signage
- Subscriptions & Memberships
- Trails Maintenance & Equipment Repair
- On-Site Employment Program
- Tri-District Golf Tournament
- Farm Family Award Sponsorship, Youth Speaker Sponsorship, Graduation Awards
- Ducks Unlimited "Eco-van" Sponsorship
- Tours of the Portia Marsh Interpretive Center are conducted regularly
- Other tours conducted include the Bacon Ridge complex, The Bluff Creek Nature Trail, the Lady Slipper Viewing Site, Jackpine Ridge Wayside Park, Preston Park, and Spirit Bay Park. Of special interest to aboriginal groups is the Thunderbird Nest Site, Tobacco Rock Site, and the site of the aboriginal petroform called the Medicine Wheel
    - Restoration of the Bluff Creek Church
    - Support to the efforts of the Alex Robertson Museum

Recreation

Activities include:

- Maintenance of existing trails, such as Bluff Creek Nature Trail & Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, Preston Wayside Park, Spirit Bay Park, McKay Park, the Lady Slipper Viewing Site, Ceremonial Site, and the Thunderbird Nest

All trails are designed and managed to demonstrate the multi-disciplinary approach of ACD.

Infrastructure

Activities include:

- Replacement of deteriorated structure at Ruskin Crossing which involved Fisheries approval and stipulations, water rights licensing, and the cooperation of several agencies. The $69,760.85 project was carried out under the Infrastructure Reserve Fund.

- Crossing Repair
    - Hoffman Dr. - three sites
    - Amaranth N. Dr - two sites
    - D. Sherman - Pipe Extensions - three sites
    - North & South Leifur Dr. – four sites
    - seven minor projects
- Projects Development and Planning
- Entering Current GIS information re: Crossing Projects
- Infrastructure Reserve Fund $13,333

Administration

Administration includes staff salaries and expenses, board remuneration, and office expenses which have remained constant for the past three years. Management of vehicle expenses and other expenditures have increased due to district expansion.

External Funding

In addition to the core funding received from Manitoba Water Stewardship, external funding partners make it possible for the Alonsa Conservation District to carry out a variety of innovative programs and projects. We are therefore very appreciative of the generosity of these agencies, and look forward to partnering with them again, and also to forming new partnerships.

Projects/Partners		**Funding**
Lake Manitoba Fishermen's Association		$ 2,000
Manitoba Métis Federation		$ 8,124
Alex Robertson Museum		$ 9,391
Fisheries Enhancement Fund		$ 1,359
Manitoba Green Team Program		$ 9,174
Fisheries Enhancement Initiative		$ 11,000
Cattle Producers		$ 17,216
Canada Environment		$ 7,895
Birdwatchers Fund		$ 1,992
Infrastructure Reserve Fund		$ 50,000
	TOTAL	**$118,151**

Cooks Creek Conservation District Annual Report

Introduction

The Cooks Creek Conservation District (CCCD) was established in 1979 and is located a short distance east of Winnipeg. The District includes most of the Cooks Creek watershed, which discharges into the Red River, and parts of the Carrs Creek and Lower Seine River basins, both of which flow into the Red River Floodway. Topography, soils, and vegetation of the watershed are distinguished by an eastern upland area and a central lowland area.

The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Oakbank, Ste.Genevieve, and Richer. The 862-km^2 Conservation District includes most of the Rural Municipality of Springfield and portions of the Municipalities of Taché, Ste. Anne, Brokenhead, and Reynolds.

COOKS CREEK CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#9 - Lower Seine River	Ron Dubinsky	Dugald
#11N – Lower Cooks Creek	Glenn Keilback	Beausejour
#11S – Upper Cooks Creek	Harry Harder	Richer
# 12 – Carrs Creek	Bob Bodnaruk	Springfield
Provincial Appointee	Vacant	
Board Chairperson	George Sokal	RR#5 Winnipeg

Summary

The spring and summer of 2005 was wet and therefore our producers had a difficult time seeding. Some re-seeding was done three times. The fall was extremely wet, making retrieval of crops difficult. This wet year reinforced the importance of the maintenance and upgrading of the District's drainage waterways. As a result, the District Program includes drain reconstruction, earth cleanouts, culvert crossings, drain mowing, spraying and brushing.

The District is also actively involved in well sealing, drainage licensing, water retention, sub-division applications, public education and school programs.

The District participated in discussions with the Floodway Expansion Authority regarding the floodway expansion. We defined our issues on drain outlets, structure size and structure elevation during these discussions.

TOTAL EXPENDITURES 2005-2006

Activity	Expenditure
Water Management	$602,510
Soil Management	$ 809
Water Quality	$ 8,355
Crossings	$ 89,718
Public Education	$ 71,069
Wildlife & Fisheries Management	$ 42,345
Forestry Management	$ 497
Drainage Licensing	$ 6,994
Administration	$ 95,837
Assets	$ 3,342
Other	$ 52,893
TOTAL	**$974,459**

For further details, please refer to the Auditor's Report in Appendix B.

Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of on-going maintenance and upgrading of the District's drainage waterways.

District activities included:

- Construction of 4.7 km of drain called Oakbank CPR Drain.
- Earth spot cleanouts completed along 65 km of drain.
- Spraying and mowing for cattails and brush was done on a very small number of drains due to wet conditions.
- Beaver population control and removal of 15 beaver dams.
- Miscellaneous earthworks.
- Coordination of District meetings with the Rural Municipalities of Ste. Anne, Reynolds, Taché, and the Seine Rat River Conservation District regarding the Salmon Lake Marsh East of Richer.
- Signing of an Agreement with Manitoba Water Stewardship, Manitoba Conservation, the Municipal partners, the Seine-Rat River and Cooks Creek CD for Forestry Road 13 & 13A funding.
- Hired two summer students under the Hometown Green Team Program.
- Completion of The Oakbank CPR Drain land purchases which included some land expropriation. Final settlement on compensation with one landowner will need to be completed.
- Land purchase for the Hillside Drain reconstruction has not been concluded due to the requirements of expropriation on one parcel.
- Coordination of a project with the District and a land developer to provide drainage to a new sub-division in Oakbank.

Soil Management

District activities included:

- Soil evaluation for bank stabilization.
- Riparian investigation at two sites.

Water Quality

District activities included:

- Sealing of 10 abandoned wells by the District with funding from landowners and the District. In excess of 210 wells have been sealed since 1994 to help protect groundwater quality.

Crossings

District activities included:

- The replacement and maintenance of crossings which is a significant part of the management of the drainage waterway infrastructure.
- The crossing program which consisted of the repair and or replacement of culvert infrastructure.
- New crossings which consisted of culverts being installed at eight locations.
- The repair of six crossing culverts and the replacement of eight crossing culverts, 50 floodgates and culvert ends at through road or dyke installations.

Public Education

District activities included:

- Completion of the District's Water Management Plan, which is ready for printing.
- Sponsorship of the Springfield 4H public speaking contest.
- Participation of District summer staff in a summer camp in the community of Cooks Creek.
- Selecting and presenting the Conservation Family Award to Jules and Julie Godard, who own and manage a large forest and park operation in the Richer area.
- Contributing to the Manitoba Conservation District magazine.
- Attendance by the District Board, Sub-District members, and Staff at 30 meetings, five tours, and eight workshops including the annual MCDA Conference in Brandon.
- Hosting The District Summer Tour in July of 2005 with a financial contribution from the MCDA.

Wildlife & Fisheries Management

District activities included:

- The start of trail development on 46 acres of land near Birdshill Park.
- Maintenance of a wildlife area and District Office complex.

Forestry Management

District activities included:

- Summer staff planted approximately 300 trees on the Wildlife site.
- Coordination of a project with Manitoba Lotteries, Manitoba Forestry, and the R.M. of Springfield and the planting of 10,000 spruce trees at a rehabilitated gravel pit.

Drainage Licensing

District activities included:

- Inspection and meeting with stakeholders regarding drainage license applications
- Discussions regarding license recommendations from Manitoba Water Stewardship

External Funding

The District sought and received funding for a number of projects.

TOTAL EXTERNAL FUNDING 2005-2006

Program/Partner	**Funding**
Federal Government Gas Tax Rebate	$ 94
Canada Manitoba Infrastructure	$214,191
Hometown Green Team	$ 3,761
Manitoba Government Partners – Forestry Road 13 & 13A	$ 14,425
Fisheries Enhancement Initiative - Pool & Riffle	$ 10,000
Manitoba Hydro cost-share	$ 4,730
Landowner - Crossings	$ 6,377
Landowner - Well Sealing	$ 500
Landowner - Subdivision	$ 43,881
Local - Wildlife Habitat Area	$ 4,961
Local - Oakbank CPR Funding	$251,396
Local Partners – Forestry Road 13 & 13A	$ 12,666
Miscellaneous Revenue	$ 4,473
Interest and Investment	$ 5,706
TOTAL	**$557,461**

Administration

- Administration costs include office cleaning, office supplies, utilities, and some salaries.
- Discussions with Agassiz are ongoing regarding the options for the local Rural Municipalities forming a Conservation District in the Agassiz region or joining the Cooks Creek Conservation District.

Assets

- The District purchased a replacement computer and software.

Subdivisions

- The District inspected and made comments on 41 subdivision applications in the municipalities of Springfield and Taché.

East Interlake Conservation District

Introduction

The East Interlake Conservation District (EICD) was officially established in August 2005 as Manitoba's seventeenth Conservation District (CD). It currently includes all or part of the Rural Municipalities of Armstrong, Bifrost, Fisher, Gimli, Rockwood and Rosser. In addition the District also includes the Towns of Arborg, Teulon, Stonewall, Winnipeg Beach, and Villages of Dunnottar and Riverton. The District covers approximately 6,711 km^2 of land with approximately 28,000 residents.

The purpose of the District is to address regional soil and water management issues in a cooperative, long term planned approach within a defined watershed. The work of the East Interlake CD Board compliments ongoing efforts to improve the water quality in Lake Winnipeg and surrounding waterways.

The goal of the East Interlake CD is to ensure that soil and water management issues in the area are dealt with in a sustainable manner on a local/regional watershed basis for the overall health of the entire watershed basin.

The District is comprised of four major watersheds which are governed by four sub-watershed based units referred to as Sub-Districts. The area is characterized by a diversified agricultural community, tourism associated with inland, shoreline and water activities, industry, aggregate and peat mining. Numerous residential developments exist along Lake Winnipeg and closer to the capital region North of Winnipeg, Manitoba. Agricultural activities include livestock (beef, dairy, poultry and hogs), forage production, annual crop production, and specialty operations.

Manitoba Water Stewardship is the major contributing partner to the District. The cooperation of municipal, provincial and federal governments, non-government organizations and District landowners, allows local people to work together towards planning and developing solutions towards the effective management of resources within East Interlake region of Manitoba.

EAST INTERLAKE CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#27 & 28 – Grassmere - Park Creek	Gordon Grenkow	Rosser
#29 & 30 – Netley - Wavey Creek	Dennis Persoage	Rockwood
#31E & 32 – Icelandic River - Willow Creek	Garry Wasylowski	Armstrong
#33 & 106 – Fisher - Washow Bay	Robert Green	Fisher
Board Chairperson	Harold Foster	Bifrost
Provincial Appointee	Vacant	

Summary

The District began operations during the late second quarter and early third quarter of the 2005 - 2006 Fiscal Year. In the first seven months of establishment and operation, member municipalities made appointments to the Sub-

District (sub-watersheds) and through an internal electoral process a District Board of Directors were appointed. At present the office is located in Gimli, Manitoba.

In 2005-2006 the District hired a full time manager and financial administrator. Nine Board and 12 Sub-District meetings were held in addition to one general meeting and one open house meeting. The general meeting was used as method to assist the Sub-Districts and Board of Directors with the development of short term goals, policy associated with governance, financial management, administrative direction and program development.

Initial programming offered by the District includes the protection of drinking water including both surface and ground sources. The main priorities of the District are defined as water quality protection and surface water management.

The District initiated its first Integrated Watershed Management Plan in January 2006 and will focus efforts over the next two years to work with stakeholder groups, local residents and the scientific community to compile a document that will help guide and assist with all future decisions and priorities.

TOTAL EXPENDITURES 2005-2006

Activity	**Expenditure**
Administration	$ 65,065
Assets	$ 9,991
Public Education	$ 21,691
Water Management	$ 5,911
TOTAL	**$102,658**

For further details see Auditor's Report, Appendix C.

Water Management

The primary focus of the District's current Water Management Program is water quantity and quality management. To complement *The Water Protection Act*, the District is in the process of developing a plan for the protection of source water including both ground and surface resources. Additional focus is being placed on the reduction of area flooding through water retention and flood attenuation programming. The District's short and long term endeavours will focus efforts on planning and programming that allow for the delivery of projects that will reduce environmental, economic and social stresses caused by both local and regional drought and flooding.

The District also places emphasis on the short and long term water management education for all members, residents, councils and governmental agencies to ensure the understanding that each individual land management decision has impacts on both upstream and downstream neighbours.

The District initiated an abandoned well sealing program with the intent of reducing hazards to people and livestock and ensuring the protection of the valuable groundwater which all residents and businesses of the area depend on. A summary of Water Management based projects includes:

- Development of a Terms of Reference for an Integrated Watershed Plan that will include a State of the Watershed Report (Resource Inventory), Source Water Protection and Surface Water Management Plan and a Watershed Heath Report Card.

- Development of a surface water quality sampling program and financial proposal.
- Early development of a web-based watershed management tracking tool.
- Sealing of five abandoned wells.

Soil Conservation

The District is in the infancy stage of developing a comprehensive soil program to protect and conserve this resource. In addition to developing programs based on the recommendations of soil professionals, the District plans to use this component to assist with or reduce maintenance costs of the agricultural drainage system.

Public Education

The District's first year of operations included extension services and communication with area municipalities, watershed residents and stakeholders regarding all facets of the Districts milestones. Primary extension services included:

- Working with local producers and learning more about important issues within the District
- Appearing in print media articles over 12 times
- Placing five advertisements in local papers
- Hosting one community forum and three well sealing demonstration days
- Holding 22 Board and Sub-District meetings
- Attending and participating in Agriculture in the Classroom held at the Agricultural Exhibition grounds in Headingley, Manitoba.
- Presenting District program summary and planning initiatives at the Lake Winnipeg Water Consortium in Gimli, Manitoba.
- Sending 10 Board and staff members to the Manitoba Conservation District Association annual meeting in Brandon, Manitoba.
- Maintaining a positive working relationship with the local and provincial media through the advertisement and promotion of CD projects, issues and events.

Wildlife / Fisheries

The conservation, protection and enhancement of local fish and wildlife habitat are an important component of the District's annual operations and one of the priorities for our watershed. The District strives to form partnerships with government agencies and local wildlife organizations to assist them with habitat enhancement or conservation projects. Partnerships that have been initiated this past year include:

- Department of Fisheries and Ocean – drafting agreement to act as an independent agency to implement mitigation measures on behalf of watershed proponents.
- Manitoba Water Stewardship, Fisheries Branch – draft plan to conduct Riparian and Aquatic Habitat Assessment in Icelandic River and Washow Bay Creek watersheds.

District Expansion

The District in partnership with the Province of Manitoba - Manitoba Water Stewardship will continue negotiations with neighbouring municipalities and cities to expand the District boundaries. The goal is to incorporate all municipal authorities within the East Interlake CD watersheds to jointly manage the area resources more effectively. Future anticipated expansion is likely.

Intermountain Conservation District

Introduction

On July 15, 1997 the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park, Duck Mountain Provincial Forest, and Lakes Dauphin and Winnipegosis, the landscape of the District varies from steep forested escarpment to gentle sloping lakeshore land. Encompassing approximately 7200 km^2, the IMCD is one of the Province's larger Conservation Districts.

Municipalities participating in the District include the Rural Municipalities of Dauphin, Ethelbert, Gilbert Plains, Grandview, Mossey River and Mountain South; the Villages of Ethelbert and Winnipegosis; the Towns of Gilbert Plains and Grandview; and the City of Dauphin.

INTERMOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#47 - Vermillion River	Dwain Davies	Dauphin
#48 - Wilson River	Ernie Bayduza	Dauphin
#93 - Upper Valley River	James Michaluk	Gilbert Plains
#95 - Lower Valley River/Mink Creek	Wayne Banting	Grandview
#102 - Fishing/Fork/Mossey	Clarence Buhler	Fork River
#103 - Garland/Point	Ron Kostyshyn	Ethelbert
#105 - Pine/Sclater/Duck	Marvin Kovachik	Cowan
Board Chairperson	Gordon Bennett	Grandview
Provincial Appointee	Syd Puchailo	Gilbert Plains

Summary

Many of the programs being implemented by the IMCD address local water and soil issues. New watershed studies have outlined the priorities for watershed programming within the District and will continue to do so. New initiatives and ongoing promotional campaigns provided increased public awareness of the variety of programs available through the Conservation District program. Extensive education activities have encouraged the youth within the district to become more involved in resource conservation and management. The diversity of the district's landscape, resources and scenic features provide a variety of challenges and opportunities.

TOTAL EXPENDITURES 2005-06

Activity		Expenditure
Administration		$ 33,471
Public Education		$ 64,487
Soil Management		$ 80,329
Water Management		$148,022
Assets - Field and Office Equipment		$ 4,973
Board expenses		$ 5,650
	TOTAL	$336,932

For further details see Auditor's Report, Appendix D.

Water Management

As a result of the Valley River Watershed Study and associated process, the District is in the initial stages of working with external agencies and landowners within the watershed to implement projects outlined as priorities.

A draft of the Vermillion River Watershed Study has been completed. The report includes a geo-database that classifies, or describes the condition of the riparian areas of several major rivers and streams in the watershed. The geo-database will aid in the identification of potential remediation sites.

The Integrated Watershed Management Initiative (IWMI) entered its third year. The IWMI is a pilot project that involves the collection of GPS-referenced culvert and bridge data for several watersheds in the District and will be used to assist the IMCD and member municipalities with watershed based planning and programming. Other projects included:

- one stream bank stabilization
- eleven abandoned wells sealed
- five creek rehabilitations
- one landowner installed a pasture pipeline watering system
- three off-site watering systems

A Problem Beaver Program proposal was drafted for the Garland/Point River sub-district. The proposal is supported by local municipalities, Prairie Farm Rehabilitation Administration (PFRA) and Manitoba Agriculture, Food and Rural Initiatives (Crown Lands).

Soil Conservation

The District evaluated programming within this component and as a result discontinued the forage seed/land cover program to limit organizational program duplication. The District still assists landowners with management options and will act as a coordinator to ensure access to other agencies' programs. The grassed waterway program continues to be one of the more popular programs at the IMCD. Projects within the soil component included:

- eight grassed waterways

Forestry

The District continued to work in partnership with Louisiana Pacific Canada - Swan Valley Forest Division (LP) including attendance at LP's Round 2 Scenario Planning workshops held in Winnipeg and Swan River. The District continues to explore new opportunities to implement the Memorandum of Understanding (MOU) regarding watershed management and sustainability of water resources with LP.

The District manages two tree plantations and uses the products for programming and extension activities. This year, tree plantings were largely limited to community-based projects with the District providing trees and technical knowledge to complete the projects.

Public Education

Promoting conservation to local youth, area landowners and communities continues to be a priority for the District. One of major events of the year was the Manitoba Conservation District Association (MCDA) annual convention. The District had the honour of sponsoring three students to compete at the Provincial Competition in the display and speech categories.

Marvin and Sandra Kovachik and family were the District Farm Family of the Year and were also recognized at the MCDA convention.

The District sponsored students to attend the Riding Mountain National Park Eco-Science Camp. The camp provides outdoor education opportunities for children residing in the Riding Mountain Biosphere Reserve whose families may not otherwise be able to afford summer camp.

The Ominnik Marsh in Riding Mountain National Park was the destination for a school field trip sponsored by the District. Elementary students were given a guided boardwalk tour of the Ominnik Marsh by a Parks Canada nature interpreter. The students learned about marsh ecosystems and had the opportunity to dip-net for different organisms (critter dipping) that live in the marsh water.

The District sponsored five schools to receive hands-on learning activities from the Oak Hammock Marsh Legacy Tour program operated by Ducks Unlimited Canada (DUC). Oak Hammock Marsh staff, some of whom are students themselves, engaged elementary students in hands-on learning activities. The district also sponsored two schools to take part in the DUC Project Webfoot program. Project Webfoot is an international, interdisciplinary, curriculum-based wetland education program. The focus of Project Webfoot is to provide Grade 4 classes in Canada (Grade 5 in Alberta) with exciting and informative learning materials and wetland field trips.

The Shanty Creek Watershed Education Centre project was initiated and will be developed by and at the District office and will involve a comprehensive approach to watershed education, including an update of the existing mobile education trailer, further development of the existing Shanty Creek trail, the establishment of a watershed resource library and partnerships with external agencies in the delivery of watershed education initiatives.

Open Houses were held in six communities within the district. Each open house featured a guest speaker from partnering agencies including Delta Waterfowl, Manitoba Forestry Association, Managing the Water's Edge and the Nature Conservancy of Canada.

The District provided a booth at the "Challenges of Production" Forage & Beef and Crop Seminars in Dauphin. The seminars included trade fair displays for agricultural & resource companies and organizations.

Administration

Program management expenditures consist of all administrative costs associated with ensuring the continued operation of the office, including salaries and expenses of administrative staff, office supplies and operational expenses, office rental and utilities, legal, accounting and/or service fees.

Kelsey Conservation District

Introduction

Kelsey Conservation District (KCD) has been in operation since January 1999. The District lies completely within the RM of Kelsey including the Pasquia and Carrot River settlements, Rall's Island, Wanless and Cranberry Portage. The District shares a provincial border with Saskatchewan and is located in the largest freshwater delta in the world. KCD is the only District north of the 53rd parallel; Wanless and Cranberry Portage are both north of the 54th parallel. There are no established sub-districts.

The District office is located in the Town of The Pas and is staffed by a manager and a part time administrator. The Board of Directors represents approximately 2,750 residents from within the municipality and meets monthly to discuss the watershed issues of the District.

Priorities for the Kelsey Conservation District's Board include developing programs that educate the public about prudent resource management, soil and water conservation practices and local decision making as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

KELSEY CONSERVATION DISTRICT
BOARD MEMBERS 2005 – 06

DISTRICT	CHAIRPERSON	ADDRESS
Cranberry Portage	Dave Cupples	Cranberry Portage
Pasquia/Carrot River	Larry King	Pasquia
Vice Chair	Dan Davie	Wanless
Provincial Appointee	Darwin Marshall	The Pas
Chairperson	Katherine Joyal	Rall's Island

Summary

The Board of KCD continues to focus on developing and delivering programs around sustainable agriculture and source water protection. Most of the programs offered through the District can be directly linked to improving or protecting water quality. The Board completed its Five Year Management Plan and Ten Year Vision document this year and has been distributing it to the public and local stakeholders. Two of the communities within the District, that are north of the 54th parallel, Wanless and Cranberry Portage have very little agriculture and are based mainly on tourism. To this end, programs developed for these areas are directed at tourism and recreation. Working with and developing partnerships with outside agencies continues to be an ongoing priority for the Board.

TOTAL EXPENDITURES 2005 – 06

Activity		Expenditure
Administration		$ 14,216
Assets		$ 12,737
Public Education		$ 95,486
Recreation		$ 2,206
Soils		$ 34,096
Water		$ 45,737
Wildlife		$ 7,365
	TOTAL	**$211,843**

For further details see Auditor's report, Appendix E

Administration

Expenditures for administration consisted of office rent, utilities, office supplies and other operating costs associated with delivering programs.

Water Quality

Although there was some activity in the District's alternate watering programs this year it was less then expected. Extensive flooding of agricultural lands does not inspire livestock producers to pursue alternate means of watering livestock. Water quality testing is ongoing in the Carrot River where it enters and leaves the District. This testing is carried out in partnership with University College of the North in The Pas.

Progress on the five manure management sites that the District is working on was less than expected again this year. The summer was cool and wet resulting in a delayed forage harvest and wintering areas that did not dry out enough to allow access for heavy equipment necessary to carry out the project.

The abandoned well program continued this year with more wells sealed than ever before. It is anticipated that there will be an increase in wells sealed next year as most rural residents are hooked up to a municipal water system and have abandoned their wells.

Soil Conservation

The Board's alternate feeding programs have been a success this year. Swath grazing, rotational grazing and rotational winter-feeding have all had good uptake. This can be attributed in part to advertising and in part to environmental conditions. These programs reduce the amount of livestock in concentrated areas, resulting in better manure management and reduce soil erosion.

The District assisted in planting 3 km of shelterbelts in the area on private property.

The District continued with a soil-testing program that helps producers determine what inputs are required to achieve their desired crop yields. This program was initiated to insure that over application of fertilizer is not taking place.

In partnership with Manitoba Agriculture and Food the District continued with its forage-testing program. This program reduces the amount of manure produced by livestock during winter-feeding by ensuring that proper feed rations are provided.

Public Education

Education and extension continues to be a priority for the Board and is reflected by the commitment it receives. A regular advertising campaign is ongoing in local newspapers. Several days were spent with the five local schools and in the field discussing the importance of watershed management: KCD is also involved in an education committee with the MCDA. The goal of this committee is to have Conservation District values of watershed management be part of Manitoba's public education curriculum

The Board believes that investing in both board and staff professional development will help to ensure that the District has the ability to have positive impacts within the watershed.

The District's Management Plan was completed and distributed.

The second annual summer tour and dinner had an excellent turnout.

Wildlife and Habitat Enhancement

The District's duck and tree swallow nest box program continued strongly this year. Private landowners with both small and large acreages having suitable habitat to warrant the installation of boxes qualify for the program. Agreements were signed with the landowners committing the landowner to maintaining the boxes and the habitat where the boxes were placed. University College of the North continues to be involved by analyzing the nest remains provided by participants of the program.

Recreation

The District is working to establish two ecological trails that will be located on Grace Lake and in Cranberry Portage.

Lake of the Prairies Conservation District

Introduction

The Lake of the Prairies Conservation District (LPCD) was established as Manitoba's 12th Conservation District on January 1, 2001 by the municipalities of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. In April 2004, the Rural Municipalities of Park North and Shell River, as well as the Town of Roblin joined the District to complete the watershed, with the exception of the western part of the R.M. of Hillsburg. The District borders the Province of Saskatchewan and includes approximately 3,408 km^2 of rolling topography between the Duck Mountains and the Riding Mountains. Its principal landscape feature is the Assiniboine River, running along the western border of the district.

The District is divided into six Sub-Districts based on the Assiniboine, Shell and Valley Rivers, Thunder Creek and Silver Creek. Thirty-two Sub-District members act in an advisory capacity to the main Board. The LPCD Board meets on a monthly basis at the District office in Inglis.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BOARD MEMBERS 2005 – 2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#79 - Silver Creek	Sam Boryskiewich	Angusville
#91 – Shell River	Gerald Brook	Roblin
#92A – Assiniboine River North	Gary Buick	Roblin
#92B – Assiniboine River South	Doug Bily	Russell
#92C – Thunder Creek	Geordie Daneliuk	Russell
#94 – Valley River	Danny Perrin	Inglis
Provincial Appointee	Gene Nerbas	Shellmouth
Board Chairperson	Ron Turetsky	Shortdale

Summary

The fifth year of the District's operation was one of transition due to staff changes. Education programming directed to improved soil and water management remained a key activity during 2005/06. The Eco-Camp program expanded to three day-camps located throughout the District. In addition, construction of a Marsh Boardwalk Interpretive Trail commenced. Management planning also remained a priority. Planning activities included a 2006-2007 Strategic Plan, a Five-Year Financial Plan and the creation and implementation of Board Policies. In addition, the District embarked upon a co-operative Integrated Watershed Management Plan with Upper Assiniboine River and Little Saskatchewan River Conservation Districts. Strengthening the relationships between member rural municipalities, towns and village was also a priority. Presentations of CD activities and planning were initiated with member municipalities, towns and village. The District continues to offer a variety of programs, projects and services and intends to strengthen program evaluation to better assess their effectiveness in achieving the District mandate.

TOTAL EXPENDITURES 2005-2006

Activity		Expenditure
Water Management		$ 27,743
Soils		$ 10,104
Wildlife		$ 18,862
Forestry		$ 675
Public Education		$ 48,444
Management Planning		$ 45,736
Administration		$ 21,050
Assets		$ 33,350
Other		$ 8,203
	TOTAL	**$214,167**

FUNDING SOURCES 2005-2006

Source		Amount
Member Contributions (Towns, Municipalities, Village)		$ 45,571
Water Stewardship		$136,000
Landowner Contributions		$ 6,374
External Funding		
Roblin Soil Conservation Group		$ 248
P.F.R.A. (Rural Water Development Program)		$ 942
Community Places		$ 6,000
Crocus Trail		$ 2,000
Hometown Green Team		$ 4,668
	TOTAL	**$201,804**

For further details see Auditor's report, Appendix F

Water Management

Abandoned Well Sealing Program: In an effort to protect groundwater supplies, sixteen wells were sealed.

Alternate Watering and Exclusion Fencing Program: The District provided one producer with assistance to create alternate watering systems for livestock and exclusion fence around water bodies.

Off-site Watering System: Five producers trialed this portable, solar powered system, providing them with the opportunity to test the benefits of such a system without incurring commitment or cost. One system was sold in anticipation that the District will purchase a new, more user friendly alternate watering system during the next fiscal year.

Inglis Beach Weir Enhancement Project: External funding during the fourth quarter 2005-2006 was pursued in anticipation of weir remediation during the 2006-2007 fiscal year.

Soil Conservation

Forage Reimbursement: With assistance from this program, 135.5 ha of cultivated land was sown to forage this year.

Salinity Barriers: With the aim of reducing saline seep, 5.7 ha of land was stabilized with seed this year.

Winter Cereals Incentive: Targeting first-time growers, this program provided producers with an incentive to trial producing a winter wheat crop. Under the program this year, 227.5 ha were subsidized.

Stream bank Stabilization: One of the previous year's riparian projects was redone, as it had degraded significantly.

Wildlife

Wildlife Habitat Creation: Two beaver levelers were installed by the CD; one was a new project while the other replaced the leveler installed during the previous fiscal year.

Marsh Boardwalk Interpretive Trail: This project began with clearing trails through a wooded and wetland area adjacent to Inglis School with the purpose of becoming an interpretive site highlighting the important function wetlands play within the larger landscape. Boardwalk sections and wood mulch were installed with completion anticipated in the 2006-2007 fiscal year.

Asessippi Parkland Youth Hunt: LPCD hosted a Delta Waterfowl Youth Hunt, in cooperation with Russell Game and Fish. Youth attendance tripled from previous Youth Hunts.

Forestry

Woodlot Management Program: This program is designed as an education experience for landowners looking to strengthen their woodlot management skills. The program was initiated in response to an increase in land clearing in the northern regions of the CD. One woodlot management seminar was held in co-operation with Manitoba Agriculture, Food and Rural Initiatives.

Public Education

Communications and Extension: Events hosted by the District included three Eco-Camps, two Producer Well Capping Demonstration Days, a Winter Watering Day (in co-operation with Kelln Solar), a Woodlot Management Day, an open house in San Clara, a Producer Electric Fencing and Alternate Watering Day (in co-operation with Kelln Solar and Gallagher Fencing) and the LPCD Annual Banquet. The banquet was very successful with 150 in attendance. The Board toured the District in June. Several board members, the manager and financial administrator attended a Board Excellence Workshop in January

Media Relations: The District promoted its programs, projects, services and mandate through a variety of sources including newspaper articles, radio and print advertisements and presence at local events.

School Education: The LPCD sought to work with District schools and youth through:

- Conservation Roadshow: The Roadshow is a menu of conservation activities by grade level, paralleling the Manitoba School education curriculum. Binscarth School grade four students also experienced hands-on ecological activities and projects via a mini-tour in the Inglis vicinity during a field trip.
- Other Educational Programming: The District promoted National Wildlife Week, EcoCamps, and MCDA Youth Competitions through various in-school presentations throughout the District.

Management Planning

2006-2007 Strategic Plan: This document defined the District's vision, mandate, mission, goals, and objectives. In addition, programs, projects and services were evaluated according to uptake and identified new opportunities. Several new programs will be trialed and evaluated during the 2006-2007 fiscal year (including creek rehabilitation, zero-till incentives, and soil testing).

2006-2011 Five Year Financial Plan: The Five Year Financial Plan outlines the District's revenue and expenditure within the context of its vision. The plan identifies shifts in programming expenditures, with a new emphasis on both watershed planning and landscape activities and programs.

Board Policies: Board policies were established as means to ensure District accountability, efficiency and as a means to achieving charitable status.

Integrated Watershed Management Plan: Board education on the importance and reasoning for watershed planning preceded the actual process initiation. Discussions regarding a simultaneous inter-CD planning process occurred with the boards and managers of Upper Assiniboine River and Little Saskatchewan River Conservation Districts. The IWMP is expected to officially begin during First Quarter 2006-2007.

Administration

Administrative expenditures include office rent, utilities, staff salaries and expenses related to the administrative functions of the District.

Assets

Assets include a truck, two trailers, Pasture Pipeline Trencher, one off-site watering system, a variety of computer equipment and a Ricoh photocopier. The District purchased the building which it had rented since its inception in 2001. The District intends to continue offering space for event rentals as a means to offset building maintenance costs.

Other

Summer Student: Two summer students were hired with funding from the Green Team program.

Miscellaneous Expenses: One-time miscellaneous expenses incurred during the 2005-2006 fiscal year include lawyer and security fees. Severance pay is also included in this category.

La Salle Redboine Conservation District

Introduction

The La Salle Redboine Conservation District (LSRBCD), incorporated in January 2002, covers over 7,000 km^2 of land in Central Manitoba and is home to over 37,000 residents. LSRBCD extends from the Town of Cypress River on its western boundary to the City of Winnipeg on its eastern boundary, then from Delta Marsh, located on the south-end of Lake Manitoba, on its northern boundary to the Town of Carman on its southern boundary.

The area includes portions of eight municipalities, one city, two towns and one village. There are eight Sub-Districts, which have been determined by contributing watersheds leading into the Assiniboine and Red Rivers. There are a total of 46 Sub-District members, who make up LSRBCD's main board, with each sub-district appointing a chairperson to sit on the executive board.

LA SALLE REDBOINE CONSERVATION DISTRICT
EXECUTIVE BOARD MEMBERS 2005 - 2006

Sub-District	**Chairperson**	**Address**
Board Chairperson	Doug Dobrowolski	Domain
#100 A- Assiniboine	Marshall Piper	Cartier
# 18- Boyne-Norquay	Roy Wood	Carman
# 21- Central La Salle	Leonard Arnal	Elie
# 71- Cypress River	Raymond Huggart	Treherne
# 101- Delta	Toby Trimble	Portage la Prairie
# 100- Long Lake	Louis Souque	Haywood
# 22- Lower La Salle	Rodney Burns	Starbuck
# 24- Upper La Salle	Claude Menard	Elie

Summary

La Salle Redboine Conservation District continued to make watershed planning a high priority for the development of District Programming in 2005/06. The CD is currently co-administrating the implementation of the Stephenfield Watershed Management plan and has received designation as the Water Planning Authority for the La Salle River watershed with an integrated watershed management plan to commence in May 2006. Once complete in 2008, 35% of LSRBCD will be governed by highly detailed, locally supported, long term watershed plans. The District intends to complete plans for all of the CD's watersheds as resources become available.

LSRBCD also invested resources into understanding the health of our watersheds beginning with a riparian assessment of the La Salle River Corridor. This project which was supported by the Fisheries Enhancement Initiative and Stewardship in Action has provided valuable insight and will be important during the development of our watershed management plan.

Wet weather proved a hindrance to CD project activities in 2005/2006. While many projects were completed in spite of unfavorable conditions, others will be completed in 2006/2007 fiscal year.

LSRBCD TOTAL EXPENDITURES 2005-2006

Activity	Expenditures
Water Management	$112,706
Soils	$ 51,749
Public Education & Awareness	$ 41,284
Wildlife	$ 3,308
Amortization	$ 36,490
Watershed Planning	$ 73,241
Administration	$ 51,381
Assets	$ 7,645
. TOTAL	$377,804

For further details see Auditor's report, Appendix G

Administration

This area includes a part of staff salaries and wages expended while performing administrative duties, Board and Sub-District remuneration, general operating and banking expenses. Staffing included three full-time employees, one term employee and one summer student.

Assets

Office / Field Equipment: This section includes general office supplies purchased including a computer back-up external drive, general field supplies such as hand tools, drill bits, screws, nuts & bolts, tie down straps and parts to assemble a water stinger drill to aide in willow planting, pasture pipe, bentonite clay, various erosion control materials and flat deck trailer.

Works Shop: The District purchased a work bench and shelving units for the shop as well as having eavestroughs installed.

Public Education

This year the District completed / participated in the following activities:

- Developed a nature trail equipped with a boardwalk at a popular road side rest stop
- Sponsored Oak Hammock Marsh's Watershed Eco-Van programming for nine district schools, reaching over 450 District youth
- LSRBCD display & literature available at five community fairs/seminars
- Spring, Fall and Winter editions of Conservation Quarterly were released
- Conservation Magazine and 2006 Program Menu was distributed to 2,500 rural postal boxes within the District
- Met with all Sub-District committees twice plus Annual General Meeting
- 23 LSRBCD members participated in MCDA Convention

- MCDA Annual Dues
- Hosted a tour of the La Salle River Watershed
- Met with all member municipal councils
- Used radio, newspaper and mail-outs for advertising District programs
- Conservation Award Recipient was Fairholme Colony

Watershed Planning

General: This category includes expenses relating to program planning, board and staff remuneration, member mileage, yard maintenance and Sub-District planning.

Meeting Costs: Costs incurred relate to printing and photocopying, meals, room rentals and report preparation.

GIS Mapping: Time and supplies expended producing maps for local landowners, municipal officials and project planning.

Vehicle Expense: Expenses included were vehicle and equipment insurance coverage, vehicle and equipment repairs and maintenance and gasoline.

Drain Licensing: The District investigated the possibility of establishing a Drainage Licensing Pilot Program with the Department of Water Stewardship.

Watershed Management Plans: LSRBCD has initiated the development of an Integrated Watershed Management Plan for the La Salle River as outlined by *The Water Protection Act;* this plan is currently in its development stages. The District has also partnered with Pembina Valley Conservation District to administer the implementation of the Stephenfield Lake Watershed Management Plan that was completed in June, 2005.

Soil Management

Erosion Control: This encompasses the District's Grassed Runway Program with one project completed, Gully Erosion Repair Program with eight projects completed, Municipal Erosion Control Program with five projects completed, and Sediment Barrier Program where one project was completed. In total there were 16 projects completed in this program grouping.

Shelterbelts: The District completed two projects and planted around 3.65 km of trees on soil erosion prone areas.

Rotational Grazing: There were two rotational grazing management plans created.

Salinity Seed: There were 16 acres of saline land that was seeded with salt-tolerant grass species to assist in reducing salinity levels. This was done in two projects.

Wildlife/Fisheries

Wildlife Programs: The District assisted the Lake Manitoba Fisherman's Association with the purchase of a walleye fry tank for their hatchery. This hatchery annually releases millions of walleye fry to stock Lake Manitoba and Delta Marsh.

Water Management

Abandoned Well Sealing: The District decommissioned 26 abandoned wells that posed a health/safety risk to residents of the LSRBCD.

Water Retention: There were three water conservation projects constructed throughout the District.

Pasture / Livestock Management: Two projects were completed under this section, having 2.32 km of pasture watering pipe installed to allow livestock access to fresh drinking water and reduce livestock pressure on District streams and wetlands.

Water Testing: The District hosted its 3rd Annual Well Water Testing Day with over 100 participants. LSRBCD completed the second year of run-off water testing, to monitor the success of a constructed wetland used to filter barnyard runoff. In partnership with the University of Manitoba Delta Marsh Field Station and MAFRI, 60 farm dugouts were monitored during the open water season to determine water quality impairments and evaluate success of livestock exclusion fencing projects.

Drainage Mowing: There were 348 km of Provincial Drains that were mowed to improve water flow during spring melt run-off in the La Salle River and Lower Boyne River Watersheds.

Riparian Studies & Miscellaneous: Currently, two projects are ongoing. The La Salle River Riparian Assessment draft was completed on March 30, 2006, with the final copy to be available July 2006. The Boyne River Riparian Assessment is in planning stages. The District has been investigating the clean-up of downed trees along with La Salle River following a severe wind storm in July 2005.

External Funding

Total External Funding 2005-2006

Program / Partner	**Funding**
Manitoba Municipal Trading Company	$ 260
SCI Funding	$ 191
Government of Canada	$ 157
Ducks Unlimited Canada	$ 500
Manitoba Recreational Trails Association	$ 1,500
Shell Environmental Fund	$ 2,500
Hometown Green Team	$ 2,284
Fisheries and Oceans Canada	$ 1,500
Fisheries Enhancement Fund	$22,500
TOTAL	**$31,392**

Little Saskatchewan River Conservation District

Introduction

The Little Saskatchewan River Conservation District was formed in 1999 as the 12th Conservation District in Manitoba. Encompassing four towns and all or parts of ten rural municipalities, the LSRCD covers approximately 4,200 km² and has a population base of approximately 10,700.

The LSRCD is situated in the Prairie Pothole region that extends from the headwater areas of the Riding Mountain National Park southward to where the Oak and the Little Saskatchewan Rivers merge to join the Assiniboine River. Within the LSRCD the landscape challenges include imperfect drainage, significant slope, steep valley walls, and wildlife issues.

The LSRCD has three distinctive watersheds that are served by six Sub-District committees who work at a resource planning advisory capacity to the main Board.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72A – Upper Oak River	Ken Wozney	Strathclair
#72B – Lower Oak River	Rod Veitch	Rivers
#81A – Upper Central Little Saskatchewan	John Whitaker	Erickson
#81B – Lower Central Little Saskatchewan	Ron Carr	Minnedosa
#82A – Upper Little Saskatchewan	Ray Frey	Onanole
#82B – Lower Little Saskatchewan	Ed MacKay	Rivers
Board Chairperson	Roy Greer	Rivers
Provincial Appointee	vacant	

Summary

LSRCD witnessed significant flooding in 2005 on the western portion of the District. The first flood was due to a large and fast snowmelt that caused extensive damage to much of the local infrastructure. Following that event, a thirteen inch rain occurred over the same extensive region in the early part of June, compounding an already desperate situation.

The LSRCD did forge ahead on initiatives that would help lead to a stronger Conservation District and a healthier landscape. In November, the Alternate Land Use Services (ALUS) concept was officially funded and the first pilot project in Manitoba for ecological service recognition for landowners in the Rural Municipality of Blanshard was announced. In addition, the LSRCD formed a partnership approach with the Upper Assiniboine River Conservation District and the Lake of the Prairies Conservation District to work towards an Integrated Watershed Plan for each of their respective watersheds.

TOTAL EXPENDITURES 2005-2006

Activity		Expenditure
Water Management		$ 89,860
Soil Management		$ 69,134
Wildlife Habitat Programs		$ 15,423
Education		$ 62,656
Forestry		$ 13,254
Administration		$ 21,003
	TOTAL	**$271,330**

For further details see Auditor's report, Appendix H

Water Management

Flooding and wet conditions impacted LSRCD programming on the landscape.

- There was little interest in water conservation and storage due to the wet conditions.
- The local municipalities requested assistance with regional planning with a watershed focus and GIS support to understand flooding issues.
- UARCD, LPCD and LSRCD began the IWMP process involving the four watersheds located in the Assiniboine River Basin.
- Residents requested the LSRCD Well Testing Day program again. Over 400 samples were submitted for analysis.
- Twenty three wells were sealed.
- Four Pasture pipeline projects were installed.

Soil Management

Wet conditions contributed to limited uptake on the soils programming.

- LSRCD continued its partnership with Ducks Unlimited to deliver a joint forage seed assistance program throughout the district. Fourteen producers enrolled, and 360 ha were seeded.
- Continued to deliver the seed drill program through part of the district – 95 ha were sown.
- In partnership with Ducks Unlimited, salinity seed was provided to landowners for 30 ha.
- Five Landowners participated in the Pasture Improvement Program.
- Soil Testing Workshop held in Oak River with approximately 65 producers present.

Wildlife Programs

- Thirty nine Beaver Leveller pipes were delivered to producers, municipalities, CD's and external partners.
- Most of the District programs provide direct or indirect wildlife benefits.

Education

- First Regional Scout Planting Project in Minnedosa, 45 Scouts and 1,500 trees were planted.
- Classrooms and Creeks program with Rivers Collegiate on the Broughton's Creek Watershed. News Articles, Radio and Television Interviews completed.
- Conducted various presentations throughout the district to promote the overall program.
- Jim and Candy Irwin, Riding Mountain Guest Ranch, Lake Audy, MB. was LSRCD's 2005-2006 Conservation Family nominee.
- Worked in partnership with the Assiniboine River Community College Land and Water Management and GIS courses providing a tour of part of the LSR watershed.
- All staff attended various professional development seminars.
- Staff participated with a float in four summer fair parades.
- Several board and sub district members attended the MCDA Annual Convention held in December.

Forestry Programs

- Continued with "Healthy Woodlots for Watersheds" program and five landowners participated.
- Assisted with 6.5 km of shelterbelt plantings and plastic mulch application.

Administration

- Expenditures for administration consisted of office rent, utilities, office supplies and other operating costs associated with delivering programs.
- Staffing remained unchanged during 2005-2006.

External Funding

Total External Funding 2005-06

Program/Partner		**Funding**
Covering New Ground		$ 1,856
Wildlife & Ecosystem Protection Branch		$ 5,174
Ducks Unlimited		$12,080
Fisheries Enhancement Initiatives		$ 4,395
Sustainable Development Innovations Fund		$ 3,195
	TOTAL	**$26,700**

Mid Assiniboine River Conservation District

Introduction

Covering an area of 1,546 km^2 the Mid Assiniboine River Conservation District #15 (MARCD) surrounds the city of Brandon and encompasses the Willow Creek and Little Souris River, both of which flow into the Assiniboine River within the MARCD. The district is a mix of glacial uplands, farmed till plain and ancient Assiniboine channel. Willow Creek is a true dendritic creek system while the Little Souris has a much more varied watershed including the Brandon Hills uplands, the Alexander-Griswold Marsh complex, intermittent channels and a high pothole density.

MARCD's 6,700 residents are members of our partner municipalities of Elton, Cornwallis and Whitehead. The district is divided into three sub-watersheds for program delivery.

Manitoba Water Stewardship is our major supporting partner. In addition to core funding in 2005-06, MARCD was able to successfully partner with Manitoba Agriculture, Food and Rural Initiatives (CNG), Manitoba Conservation (WRAPP), Green Team, Brandon University and local producers.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98A - Little Souris A	Emil Egert	Brandon
#98B - Little Souris B	Gord Hansen	Brandon
#99A - Willow Creek	Harvey Paterson	Forrest
Board Chairperson	Wes Williamson	Alexander
Provincial Appointee	Vacant	

Summary

During its fourth full year of operations, the MARCD offered a variety of programs to landowners focusing on soil and water management issues. Due to extensive summer flooding in 2005, the major focus was on surface water management, particularly drainage issues. The District continued to develop a watershed management plan by acquiring resource inventory information on the Willow Creek watershed. It also assisted municipalities, landowners and others with additional projects. In January 2006 the Tiger Hills Conservation District (THCD) and MARCD began talks on merging organizations. To assist with this process, sub-district Vice Chairs were added to the main board as full voting members. In the last quarter, three meetings were held on the merger proposal. Manitoba Water Stewardship is assisting with these negotiations and it is anticipated the two districts will operate under the auspices of one budget and board in 2007-08.

TOTAL EXPENDITURES 2005-06

Activity		Expenditure
Water Management		$ 40,396
Soils		$ 30,512
Wildlife/Fisheries		$ 3,253
Forestry		$ 5,727
Public Education		$ 23,263
Assets		$ 19,630
Other Project Support		$ 18,706
Administration		$ 21,930
	TOTAL	**$163,417**

For further details see Auditor's Report, Appendix I

Water Management

- Capped 10 abandoned wells providing safety and water quality protection.
- Installed two off-site watering systems with the pasture pipeline plow.
- Installed nine new local water supplies.
- Continued developing an Integrated Watershed Management Plan by acquiring resource inventory information on Willow Creek.
- Reviewed many drainage licenses, and resolved some licenses dating as far back as seven years.
- Assisted with 84 water sample tests required because of extensive summer flooding.
- Delivered watershed capacity building projects to each municipal partner to assist with summer flood mitigation.
- Held a surface water management workshop in Alexander in March with 22 residents participating.
- Hosted an abandoned well demonstration for the Assiniboine Community College (ACC) Land & Water program.

Soil Conservation

- Provided salinity seed to five producers for 20 ha of saline tolerant forages on cropland edges.
- Established 2,430 ha of winter wheat for soil erosion prevention for 12 producers.
- Established new forages for seven producers covering 128.4 ha.
- Completed three rotational grazing systems.
- Cost shared on two green manure programs for 40.5 ha.
- Planted 2.6 km of shelterbelts.
- Held a winter grazing workshop for the Grand Valley Grazing Club (GVGC).
- Rented the Zero Till drill to establish 667 ha of new forages for 31 producers.

Public Education

- Held a youth waterfowl hunt in Alexander in partnership with Delta Waterfowl and the Manitoba Wildlife Federation for 21 youth and 13 mentors.
- Visited several schools to deliver Conservation presentations.
- Sponsored a winter seminar for the GVGC with 30 producers taking part.
- Conservation Farm Family nominee was Mel & Kathy Birmingham and family of Forrest, Manitoba.
- Sponsored our first youth speaker at the Manitoba Conservation Districts Association Convention.
- Completed extensive geometrics work to address summer flooding using a 2004 culvert inventory of Whitehead RM.
- Partnered with Brandon University and Green Team to acquire inventory information on Willow Creek.
- The MARCD website and various news letters are used for district promotion including information on operations, events and programs as well as special projects.
- Additional promotion occurs with the distribution and sale of pens, pins, magnets, shirts and hats.
- The GVGC held a banquet and presentation evening resulting in 30 memberships for 2005-06.
- The MARCD is a member of both the Leafy Spurge Stakeholders Group at Brandon University's Rural Development Institute and the ACC Land & Water Program Advisory Board increasing our extension services opportunities.
- Through the LSSG MARCD staff participated in an Integrated Weed Control workshop in Bismarck, North Dakota.
- Hosted a Grade 12 student on a two week job shadow program.
- The South West Manitoba Conservation Districts (SWCD) comprising Mid Assiniboine, Tiger Hills, Turtle Mountain and West Souris River hosted several joint activities in 2005-06. Based on their success these partnerships are likely to continue.
  - Watershed Currents, a newsletter delivered to 12,500 households in the SWCD area in April.
  - South West Manitoba Water Festival in September at Souris hosting 200 students from eight schools throughout the four districts with extensive interagency cooperation and media coverage.
  - A board governance workshop in November also at Souris leading to greater excellence in operations for each district.

Program Management

Office operations, staff wages and expenses, Board remuneration and expenses and other operating expenses are included in this program.

Pembina Valley Conservation District

Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, encapsulates 5,164 km^2 of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, Pembina Escarpment, Tiger Hills, Cypress River Valley, and part of the Red River Valley.

The PVCD is a partnership between the 16,650 residents of the six rural municipalities, two towns and two villages that make up the district. There are eight sub-districts, representing sub-watersheds within the district. The strength of this partnership primarily lies in the grassroots approach, as well as the strong support from Manitoba Water Stewardship and other departments and external agencies. Partnerships are critical to delivering the PVCD program.

PEMBINA VALLEY CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Boundary Area	Rob Harms	Snowflake
Lizard Lake	Murray Seymour	Darlingford
Swan Lake	Larry Van Cauwenberghe	Swan Lake
Tiger Hills	Gerry DeSmet	Cypress River
Pembina Escarpment	George Jackson	Miami
Crystal/Cypress	Brian Charles	Cartwright
Badger Creek	Randy Dyck	Holmfield
Dead Horse	Ken McElroy	Darlingford
Board Chairman	Don Alexander	Miami

Summary

The PVCD program continues to focus on fundamental soil and water management issues, working with landowners to encourage conservation practices. Water quality issues are a growing concern for area residents and in response, additional resources are being allocated to address this. Concerning wells, the District has been involved with water testing, shock chlorination, well assessment and abandoned well filling. As all aspects of the environment are interconnected, the Board feels that improved water quality is an end product of a lot of the work that we are involved in. To this end the Board has embarked on a number of integrated watershed planning efforts. Multipurpose water retention projects continue to be delivered on the landscape, as are gully stabilization and grass waterways projects.

Partnerships with Government and non-government agencies enhance the programming that can be offered to local landowners and Municipalities. The Board appreciates the funding support from Manitoba Conservation Special Conservation Fund and PFRA for a winter watering, shock chlorinating, well filling, and alternative stock watering demos. Ducks Unlimited Habitat Conservation Program helped fund a salinity barrier program. Manitoba Hydro Forest Enhancement Program paid for hundreds of trees to be planted all around the district in public places. Manitoba Habitat Heritage Corporation Agro Woodlot Program assisted with tree planting for bank stabilization works. A number of potential fish habitat enhancement projects are being investigated as a result of the study that was completed on improving the fisheries potential of the Pembina River. As in the past, federal (Summer Career Placements) and provincial (Manitoba Conservation - Hometown Green Team) sources subsidized the cost of hiring summer staff, providing them with valuable experience and completing many important jobs for the district. Manitoba Agriculture Food and Rural Initiatives (ASI) program funded our 4 extended grazing plots and new techniques (hybrid/solar) for watering of livestock.

TOTAL EXPENDITURES 2005-06

Activity		Expenditure
Water Management		$443,968
Watershed Planning		$ 12,417
Soil Management		$ 28,033
Public Education		$ 36,177
Wildlife/Fisheries – Trees		$ 30,161
Program Management		$ 50,620
Assets		$ 23,479
	TOTAL	**$624,855**

For further details, please refer to Auditor's Report, Appendix J.

Water Management

The District has a small dam program that yields multiple benefits including: groundwater recharge, providing water for agricultural, domestic and recreational use, creation and enhancement of wildlife habitat, flood peak attenuation, water quality improvement, increased water infiltration, increased productivity and precipitation distribution.

Over the past year the District responded to water management concerns with the following programs:

- Constructed 20 back flood stabilization and water retention projects.
- Sealing 39 abandoned wells.
- Shocked 10 wells and completed a well assessment on each well.
- Demonstrated off site watering system for one area farmer.
- Well Water Testing (152 tests), plus Community Well Water Sprayer Compatibility testing for five RMs consisting of 22 community wells.
- Two Winter Watering Sites installed.

Watershed Planning

The District is involved with watersheds that drain into the Pembina, Assiniboine and Morris Rivers. Growing water management concerns include flooding, erosion, sedimentation, water quality and the need for basin wide planning and direction.

- Worked on the development of seven Integrated Watershed Management plans including:
    - Coleman Watershed
    - Goudney Reservoir
    - Pembina River Basin
    - Assiniboine Delta Aquifer

- Stephenfield Lake
- Stoney Creek
- Tobacco Creek

Soil Management

The Board views soil conservation as an important factor in the economic, social and environmental health of the rural landscape. The benefits of soils programming include protecting the productivity that we have in this area of the province and improving it for the future. More productive soil means improved economics for producers now and for years to come. Our role in soil conservation is changing as agriculture is changing with increased size of farms and machinery. The CD soils program included that following work:

- Forage seed assistance program with 11 co-operators, 580 acres sown down to permanent cover
- One gully stabilization
- Grass waterway establishment and maintenance
- Streambank stabilization
- One check strip forage plot demonstrating different varieties of native grasses
- Four Co-operators for Extended Grazing Trial Plots

Public Education and Extension

The Board considers public education and extension a high priority for all residents of the District. The following projects were delivered this year:

- PVCD information is passed on to the community through the local newspapers and newsletters highlighting the District's activities.
- The Board sponsored the Ducks Unlimited "On the Go" program in 10 of our local schools, and sponsored a Project Wet workshop at Nellie McClung Collegiate for all the teachers within the Prairie Spirit School Division. Several environmental educational sessions with local schools were delivered in and out of the classroom.
- PVCD Envirothon Club is supported by the Board and provides a fun environmental education opportunity. Our young people are our future leaders, stewards and protectors of the environment and these types of educational efforts are a Board priority.
- Binney Corner Nature Preserve is a 13 ha natural site that is used for education, recreation and nature appreciation. Several school groups used the site for an outdoor classroom.
- Boyd and Sherry Mullin of Cartwright were chosen as the Conservation Farm Family.
- Six water-related tours for Grade 8 classes were conducted
- PVCD sponsored a Hybrid poplar workshop to provide information to area producers
- PVCD sponsored four Grazing Management and Riparian Management events for producers
- Six riparian and watershed planning related tours for Grade 11 classes were conducted

Wildlife

In an ecosystem all things are connected and inter-dependant and therefore almost all of our programs have benefits for wildlife and fish habitat. Specific wildlife and fish habitat projects include the following:

- Manitoba Hydro (Forest Enhancement Program) sponsored the purchase of 902 fruit trees for planting in eight local community parks and public areas.
- Promotes the Green Banks (Riparian Stewardship) program, which promotes healthier riparian zones for our rivers, lakes and streams and partners with MHHC and Manitoba Agriculture to deliver this program.
- Ducks Unlimited and the District worked together to encourage landowners to sow a salinity seed as an alternative to increased drainage. Twenty landowners participated and sowed down 400 acres to permanent cover.

Program Management

The District has a dedicated Board and staff who are continually looking for new ways to manage the challenges presented by local soil and water problems. Common sense and farmer ingenuity also play a role. Available training opportunities are used to strengthen the human resource side of the District.

External Funding

TOTAL EXTERNAL FUNDING 2005-06

Partner/Program		Funding
Manitoba Hydro - Forest Enhancement Program		$13,988
Science Technology Program (NRC)		$ 9,000
WRAS Water Testing		$ 1,202
MB Conservation Special Conservation Fund		$ 500
Canada Employment – Summer Career Placement		$ 2,538
Hometown Green Team		$ 4,430
MARFI Covering New Ground – (ASI)		$ 9,500
Ducks Unlimited Canada		$ 4,075
Government of Canada – Gas Tax Rebate		$ 287
Watershed Partner Group		$ 1,140
Manitoba Conservation		$ 2,040
Lizard Lake Grazing Club		$ 987
Misc. Office/Tours Etc.		$ 496
Rent Revenue		$ 6,700
GIS Photo Revenue		$ 390
Landowner Contributions		$16,034
Special Grants – RMs of Lorne, Louise, Thompson & Pembina		$19,688
Pembina Valley Protection Association		$ 2,500
Interest and Investment		$ 5,655
	TOTAL	$101,150

Seine-Rat River Conservation District

Introduction

The Seine–Rat River Conservation District (SRRCD) was established in January 2002 and received assent in August 2005 as Manitoba's sixteenth Conservation District (CD). It currently includes all or part of the municipalities of La Broquerie, Ste. Anne, Hanover, and the City of Steinbach, covering 1,815 km^2 of land with approximately 28,000 residents.

The District is divided into five unique Sub-Watersheds (Sub-Districts) within the Seine and Rat River watersheds, and is characterized by a diversified and intensive agricultural community. The agricultural activities include livestock (beef, dairy, poultry and hogs), forage production, annual crop production, and specialty operations. The soil types within the southeast vary from course sands in the East to fine river bottom clays closer to the Red River. The diversity of agricultural operations, land use and soil types create many soil and water management challenges throughout the District.

Manitoba Water Stewardship is the major contributing partner to the District. The cooperation of municipal, provincial and federal governments, non-government organizations and District landowners, allows local people to work together towards planning and developing solutions for the effective management of resources within southeast Manitoba.

SEINE-RAT RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#4 – Joubert Creek	Jake Friesen	Hanover
#6 – Tourand Creek	Jean Gagnon	La Broquerie
#7 – Manning Canal	Chris Goertzen	Steinbach
#8 – Upper Seine River	Laurie Evans	Ste. Anne
#9 – Lower Seine River	Arthur Bergmann	Ste. Anne
Board Chairperson	Cornie Goertzen	La Broquerie
Provincial Appointee	Vacant	

Summary

The District has successfully involved new partners each year over the past three years, and will continue to grow and involve more rural municipalities, towns and villages over the next few years.

The SRRCD offers a defined list of soil and water management programs that complement the operating mandate of the district. The programs offered have been tailored to the challenges of the area and will likely continue to be updated and improved each year. The top priorities of the District continue to be effective surface water management and groundwater protection.

The District initiated its first Integrated Watershed Management Plan in January 2006 and will focus efforts over the next two years to work with stakeholder groups and the scientific community to compile a document that will help guide and assist with all future decisions and priorities. The District also recently completed the Rat River Riparian Health Assessment Study, which is its second riparian health assessment study over the past three years.

TOTAL EXPENDITURES 2005-2006

Activity		Expenditure
Administration		$ 40,893
Assets		$ 23,680
Public Education		$ 65,115
Soil Conservation		$ 8,167
Wildlife		$ 30,025
Water Management		$163,964
	TOTAL	**$331,844**

For further details see Auditor's Report, Appendix K.

Water Management

The District's mandate is watershed based management considering all facets of the resources while implementing annual programming. The primary focus of the districts current Water Management Program is the protection of source water including both ground and surface resources. Additional focus is placed on the reduction of area flooding through water retention and flood attenuation programming. The District continues to gather valuable current and historical information within each of the sub watersheds to effectively plan and implement future projects that will reduce environmental, economic and social stresses caused by both local and regional drought and flooding.

The District places emphasis on the short and long term water management education for all members, residents, councils and governmental agencies to ensure the understanding that each individual land management decision has impacts on both upstream and downstream neighbours.

The District also offers an abandoned well sealing program with the intent of reducing hazards to people and livestock and ensuring the protection of the valuable groundwater which all residents and businesses of the area depend on daily. A summary of Water Management projects includes:

- Sealed 14 abandoned wells.
- Constructed seven water retention projects.
- As part of the Forest Road #13 & 13A agreement involving and supported by three municipalities, Cooks Creek CD, and Manitoba Water Stewardship, the District completed road work (installed low-level crossings, repaired washouts and culverts and implemented local knowledge to reduce and/or mitigate problems associated with beaver activity) as part of a water retention strategy for the area.
- Coordinated the Well Water Testing Program with 55 District residents having well water tested.
- Visited 10 landowners to discuss potential rehabilitation sites along the Seine River.
- Involved with partnership agreements towards the maintenance of 4 km of existing drains.
- Completed one significant erosion control project.

Soil Conservation

The SRRCD soil conservation programs are offered to encourage and assist producers with the conservation and enhancement of soil resources within the District. The primary projects include:

- Established two grassed waterways.
- Assisted with three rotational grazing projects.
- Assisted five landowners with tree planting and shelterbelt projects.

Public Education

Communicating with local producers, learning more about important issues within the District, educating watershed youth, and having municipal partners work together, are all challenging, yet extremely important aspects of the SRRCD public education program focus.

- Arranged and fully supported the Ducks Unlimited Canada (DUC) "Watershed Ecovan" to perform environmental education presentations in elementary schools in Steinbach, La Broquerie, Ste. Anne and Grunthal, Manitoba.
- Maintained and improved the District website (http://www.srrcd.ca), used as a promotion and information transfer tool.
- Mailed out District program literature to all watershed residents and held Open House meetings in Ste. Anne, Grunthal and La Broquerie, Manitoba.
- Utilized Geographic Information System (GIS) software to create custom maps and assist with project planning and decision-support for CD members.
- Built upon successful relationships with local non-government organizations.
- Presented District program summary and planning initiatives at the Watershed Planning Public Forum in Winnipeg.
- Contributed to the Manitoba Conservation Districts Association (MCDA) magazine and presented at the annual MCDA Convention in Brandon, Manitoba.
- Maintained a positive working relationship with the local and provincial media (radio stations and newspapers) through the advertisement and promotion of CD projects, issues and events.

Wildlife/Fisheries

The conservation, protection and enhancement of local fish and wildlife habitat are an important component of the District's annual operations and one of the priorities for our watershed. The District strives to form partnerships with government agencies and local wildlife organizations to assist them with habitat enhancement or conservation projects. Projects this past year included:

- Finished the Rat River – Joubert Creek Aquatic Habitat and Riparian Assessment Survey with support from FEI and DFO Healthy Waters program.
- Created 25 duck nesting tunnels and installed them at permanent wetlands throughout the District.
- Continued work at the Marchand Nature Trail with support from the Environmental Youth Corps program.

Assets

The SRRCD purchased 160 acres of marshland area to ensure that it remains as a water retention area within the headwaters of the Manning Canal sub-watershed. The District has no immediate plans for the land but is discussing many options to maximize the water retention within the area.

District Expansion

The District held three expansion planning meetings with area municipalities within the Seine, Rat and Marsh River Watersheds. The district has approved requests to join from the Rural Municipalities of Ritchot and De Salaberry, Village of St-Pierre-Jolys and the Town of Ste. Anne. Future anticipated expansion will involve the Rural Municipalities of Reynolds, Tache and Springfield.

Tiger Hills Conservation District

Introduction

The Tiger Hills Conservation District (THCD) was formed in 2001 with the 3,947 citizens of the Rural Municipalities of Argyle, Glenwood, Strathcona and South Cypress, and the Village of Glenboro. Encompassing 7,953 km^2, three major river systems, and soil types ranging from Stockton Sands to Assiniboine Clays, THCD is divided into five sub districts, each responsible for a distinctive watershed and each committed to wise resource management and sustainable development.

TIGER HILLS CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#56 - Pelican/Rock Lake	Rob Stephenson	Killarney
#68 - Elgin Creek	Doug Denning	Souris
#70A - Upper Oak Creek	John Chambers	Belmont
#70B - Lower Oak Creek	Rodney Durham	Belmont
#99 - Central Assiniboine	Cam Hamilton	Glenboro
Board Chair	Hugh Stephenson	Baldur

Summary

The District continues to refine programs and policies focusing on local issues and concerns. A major priority for the District has been to increase awareness and participation in conservation programs.

Each Sub District has developed programs and promoted projects directed at specific issues within their boundaries.

Watershed management planning, discussions on boundary re-alignments and public education remain District priorities.

As with most Districts, THCD was challenged last year with excessive moisture causing flooding and project delays.

TOTAL EXPENDITURES 2005-06

Activity	Expenditures
Program Management	$ 11,467
District Programs	$125,022
Healthy Waters Project	$ 8,341
Watershed Planning	$ 7,286
Public Education	$ 15,889
TOTAL	$168,005

For further details see Auditor's Report, Appendix L

Water Management

- A series of in-stream rock riffle structures are proposed for Oak Creek.
- 19 Abandoned Wells Capped
- 17 wells Shock Chlorinated
- 1,000 m of Pasture Pipeline installed

Soil Conservation

- Seven farmers in the Elgin Creek sub-district cooperated on a demonstration project where fields were mapped and analysed using soil testing technologies and a conservation plan was prepared.
- To address aspen encroachment and leafy spurge invasion, SD #99 has partnered with Prairie Stewards. Techniques such as multiple species grazing to control leafy spurge and controlled burning, brush crushing and intensive grazing to limit aspen encroachment are demonstrated.
- Landowners in the Elgin Creek sub-district and RM of Glenwood have partnered on a soils project with Assiniboine Community College to move an excavated waterway back into the original channel.
- A Riparian Assessment on Oak Creek was completed and a report produced.
- Molehill Leveling – 1,585 acres
- Ammoniator – two District residents
- Forage Seed – 529 acres
- Fall Sown Crops – 1,616 acres
- 130 acres of Saline Tolerant forages distributed (with the help of Ducks Unlimited Canada)
- One cattle crossing
- Three Grass Waterways
- Two Erosion Control projects

Education

- Oak Hammock Marsh's "On the Go" visited Baldur, Glenboro, and Souris schools as well as visiting Nature Valley, Newdale, Sandy Bank, Shamrock, and Whistling Wind Hutterite Brethren Schools.
- A September Water Festival, in partnership with TMCD, WSRCD and MARCD, was a success with 200

students learning about watershed management

- Rock Lake Annual Fishing Days had to be postponed this past year, but with external funding, the 2nd Annual Fishing Days will be offered to schools next year.
- The District partnered with PVCD, MAFRI and PFRA to create three videos that highlight winter livestock practices. Video 1 – Winter Livestock Water Systems. Video 2 – Winter Feeding Strategies and Video 3 – Herd Management and Natural Area Protection. Also, a magazine publication of Case Studies in Sustainable Livestock Management is proposed.
- Tiger Hills has collaborated on a joint newsletter, water festival, and volunteer stream monitoring programs with three other Conservation Districts in the southwest.
- Aerial video of Oak Creek and Elgin Creek were filmed and made available to the public for water management planning.

Wildlife & Fisheries Management

- Tiger Hills, Pembina Valley and Turtle Mountain Conservation Districts have initiated a Pembina River riparian and fish habitat assessment through the Tri Lakes Development Group. Public meetings are slated for 2006/07.

Administration

- Office operations, Board remuneration, communications, and other operating expenses are included in this category.

Turtle Mountain Conservation District

Introduction

The Turtle Mountain Conservation District (TMCD) covering an area of 4,518 km^2 is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renowned throughout North America for its natural biodiversity and importance for migratory birds. This mix of topography and natural resources gives rise to many of the activities and programs of the TMCD.

Members of the TMCD include the Rural Municipalities of Arthur, Brenda, Cameron, Morton, Turtle Mountain and Winchester and the Towns of Boissevain, Deloraine, Killarney and the Village of Waskada. The area represented by these Municipalities is further divided into six watershed Sub-Districts.

The Province of Manitoba, through Manitoba Water Stewardship, is the major supporting partner for the Program, together with a host of cooperating agencies and various departments of government at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone of the Program, resulting in a sound, well supported Program of sustainable resource management for a very unique region of Manitoba.

TURTLE MOUNTAIN CONSERVATION DISTRICT
BOARD MEMBER 2005-06

SUB-DISTRICTS	CHAIRPERSON	ADDRESS
#58 – Wakopa Creek	Myna Cryderman	Boissevain
#59 – Upper Pembina	Brian Hammond	Boissevain
#65 – Waskada Creek	Keith Hannah	Waskada
#66 – Medora Creek	Gord Weidenhamer	Deloraine
#67 – Chain Lakes	Murray Phillips	Hartney
#68 – Elgin Creek / Whitewater Lake	Greg More	Elgin
Provincial Appointee	Murray Combs	Deloraine
Board Chairperson	Richard Sexton	Deloraine

Summary

The District is proud to have completed its 33rd year of operation in the 2005-06 fiscal year. Grassroots involvement in 1973 along with the commitment from the local municipalities and the province to address conservation issues in the region led to the formation of the Turtle Mountain Resource Conservation District. The commitment by all involved with the District over the past 33 years has allowed the District to implement many soil and water conservation programs in addition to wildlife habitat, education, fisheries, historic and heritage projects on the landscape in southwestern Manitoba.

The District would like to acknowledge the support of all external partners that have provided either financial or technical assistance and look forward to continued support in the future. With a rich history on the landscape, the District is proud of its history and the accomplishments and is even more excited about the future for the TMCD and the CD Program.

TOTAL EXPENDITURES 2005-06

Activity		Expenditure
Water Management		$184,505
Soil Conservation		$108,017
Wildlife		$ 56,605
Public Education and Extension		$131,044
Administration		$ 43,200
Equipment/Land		$ 22,393
Amortization		$ 27,532
Inventory		$ 2,541
	TOTAL	**$575,837**

For further details see Auditor's Report, Appendix M.

Water Management

Over the past year, six watershed Sub-Districts delivered a very diverse list of Program activities.

Abandoned Well Sealing Program – A total of 34 abandoned wells were sealed in the District. The Program provides assistance to landowners wishing to permanently seal wells no longer in use. The District also hired a summer student to compile a list of abandoned wells within the Rural Municipality of Turtle Mountain to help protect groundwater quality and reduce the safety hazard associated with these wells.

Remote Watering System Program – The Program is designed to assist producers with the establishment of off-site watering systems for livestock. The District assisted four producers with the establishment of remote watering systems.

Small Water Storage Program – This program assists landowners with the construction of small headwater dams. Three new dams were constructed and repairs were completed through funding from Manitoba Emergency Measures Organization and landowners at 12 existing dams.

Grassed Waterway Program – This program assists landowners with the shaping and seeding of seasonal runs to control erosion. Two grassed waterway projects were established in the District.

Stone Crossing Program – One crossing was repaired on an intermittent creek to allow for improved landowner access.

Creek Maintenance Program – Three creek maintenance and stabilization projects were completed in the District. Mowing of natural waterways was only completed around the Town of Deloraine and was limited in other areas due to the unusually wet year which prevented equipment access.

Portable Windbreak Program – This Program provides assistance to producers that establish portable windbreaks to winter livestock on the range and improve water quality. Three producers in the District received assistance to construct portable windbreaks.

The Chain Lakes Sub-District continues to implement a planned grazing demonstration at the Adair Dam property. The Sub-District also has a solar-powered remote watering demonstration system that was used by one producer. One producer ploughed shallow burial pipe for livestock watering and the water pump was used by seven producers.

As part of the provincial water well testing program, the TMCD assists local residents with the transportation costs associated with testing their water well.

The District has completed in conjunction with various stakeholders a watershed management plan for four sub-watersheds (East Souris River Integrated Watershed Management Plan) which will help direct activities in the future. This project could not have been completed without the support of numerous organizations and individuals who provided input into the plan during its development.

The TMCD has been involved with the Pembina River Basin Advisory Board and South West Manitoba Water Development Team which are local stakeholder groups working to address the goals of the local members.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Water Program.

The Program as presented should clearly indicate a well rounded list of options for producers concerned about water management. The Program does not focus solely on the movement of water within the watershed, but also with those aspects of land management having a positive impact on water movement within the District.

Soil Conservation

Salinity Seed Program – This Program provides landowners the option to select one of two seed mixtures to establish forage on saline soils. Through the Program the District provided assistance to 46 producers which assisted with the establishment of 611 ha of forage on saline soils. With the support of Ducks Unlimited Canada, the District distributed 118 ha of forage seed for salinity barriers to 30 landowners.

Specialized seeding equipment included the ultra packer seeder used by 19 producers (176 ha), tye grass drill which was used by five producers (63 ha), and various broadcast seeders.

Shelterbelt Program – This Program consists of the establishment of shelterbelts and tree plantings. A total of 10.4 km of trees were planted throughout the region. Plastic mulch was applied to the established shelterbelts to assist with weed control in the belts. The district also implemented a maintenance component on 15.2 km of new shelterbelts which consisted of grass seeding, mowing and basic weed control.

The District is also actively involved in assisting with the maintenance of the Boissevain Tree Nursery and planted replacement trees at the Boissevain Orchard. Through funding provided by the Manitoba Hydro – Forest Enhancement Program a community orchard was established at Deloraine.

Rotational Grazing Program – This Program provides assistance to producers that construct interior fencing to improve livestock distribution. Four producers in the District received assistance to improve their grazing management systems.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Soils Program.

The District provides a variety of Soil Conservation Programs for landowners to encourage the sustainable use of land, and the conservation of soil resources throughout the District. As the variability in precipitation continues across the prairies and throughout the District, it will be critical that landowners implement land-use practices that protect soil resources from the elements.

Wildlife

Through a partnership between the District and the Manitoba Habitat Heritage Corporation five conservation agreements were signed to permanently secure 391 ha of wetlands and uplands in the Turtle Mountains. Funding from the Manitoba Conservation – Sustainable Development Innovations Fund provided partial funding for the delivery of this program.

Numerous existing road allowances designated for protection under the Conservation Corridor Program were marked with signs in the R.M. of Turtle Mountain and R.M. of Morton.

The District cooperated with the Pembina Valley and Tiger Hills Conservation Districts to secure the services of a fisheries consultant who conducted a fish habitat assessment on the Pembina River system through funding from the Healthy Waters Program. The Healthy Waters Program also provided funding for an aerial riparian inventory along numerous waterways in the District.

The on-going aeration project in the Derksen – Heide Reservoir near Boissevain has been the responsibility of the District. The District stocked one reservoir with rainbow trout to try to establish a sport fishing opportunity in the western portion of the CD.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Wildlife Program.

Public Education

The TMCD is active in delivering a diverse Public Education Program targeted towards virtually everyone in the district. The youngest of children are exposed to educational activities through the "Conservation in the Classroom" Program delivered to school-aged children. The District also focuses on the interests of adults with natural and interpretive areas, as well as the historic and heritage resources.

The "Conservation in the Classroom" Program involves all schools in the District and assists with field trips, operational supplies for greenhouses, purchase of conservation publications, books, and other materials related to conservation, sponsoring the Green Kids educational play and Project Wild workshop for area teachers. Funding for the "Wetland Ecovan" Educational Interpretive Program was also provided to all schools in the District.

The inaugural Southwest Manitoba Water Festival was hosted by the Turtle Mountain, Mid Assiniboine River, Tiger Hills and West Souris River Conservation Districts. Funding from the Fisheries and Oceans Canada – Stewardship in Action Program provided the necessary funds to carry out this event.

Public interpretive areas remain a priority of the District at the Metigoshe Natural Area, Newcomb's Hollow and other properties owned by the TMCD. The Metigoshe Natural Area consists of a parking area, interpretive tower and self-guided hiking trail. Newcomb's Hollow has become an attraction for tourists wishing to view the historic Boundary Commission Trail. The District also continues to support the Whitewater Lake Wildlife Viewing Center that is a destination for birders from around the world.

Through funding provided by the Manitoba Conservation – Sustainable Development Innovations Fund, a native grass and wildflower display was established at the International Peace Gardens. The District is home to mixed-grass prairie and this project will raise awareness regarding the variety of species that are located on these native grasslands.

TMCD staff provides extension services to many residents of the District. Many inquiries are made by local residents on a daily basis through calls made into the office, calls out, visitors to the office and field visits. Two riparian and two Wealth in Woodlot workshops were held to help improve the level of awareness and potential management options to help address these issues.

The District obtained funds from Manitoba Agriculture, Food and Rural Initiatives – Covering New Ground Program for an extended grazing season tour. Participants visited various local livestock producers to observe practices they are using to extend the length of time livestock remain out of confined areas.

In an effort to help promote the feasibility and success of small farm operations, the District helped sponsor the Boissevain Small Farms Project, which allow participants the opportunity to develop a business plan for the successful operation of a small farm.

The Dave and Donna Stewart family from Goodlands were the TMCD Conservation Farm Family and Jeremy Groening from Killarney was the TMCD Youth Speaker, who represented the District at the annual Manitoba Conservation Districts Association convention in each category.

The District is involved in the promotion of Programs through merchandise, project signs, the Watershed Currents newsletter (co-operative effort of four southwest Manitoba CD's), TMCD website, attendance at trade shows, advertisements in weekly newspapers and in the annual agricultural supplement as well as numerous articles that inform the District residents of Program activities. The TMCD held an annual banquet to inform the public and partners of annual activities and recognize the support of various partners.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Education Program.

Administration

The Administrative Program provides for a portion of salaries and expenses for staff, rent and miscellaneous operating costs.

The District also takes advantage of external human resource support wherever possible through Programs such as the Hometown Green Team.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Administration Program.

Assets

Additions to the equipment list included various tools for the works crew such as a water pump, power weed whacker and ultra packer seeder. The inventory list consists of plastic mulch, geotextile and grass seed.

External Funding

Total External Funding 2005-2006

Program/Partner	**Funding**
Fisheries and Oceans Canada – Stewardship in Action	$ 7,500
Natural Resources Canada – Science and Technology Internship	$12,000
Ducks Unlimited Canada	$ 3,596
Agriculture and Agri-Food Canada – PFRA	$ 2,499
Manitoba Conservation – Sustainable Development Innovations Program	$37,630
Manitoba Agriculture, Food and Rural Initiatives – Agricultural Sustainability Initiative	$ 1,520
Fisheries and Oceans Canada – MB Healthy Waters	$ 5,000
Manitoba Hometown Green Team	$ 4,568
Manitoba Hydro – Forest Enhancement Program	$ 7,313
Manitoba Hydro	$ 1,600
Landowner	$13,697
Interest and Investment	$ 7,243
TOTAL	**$104,167**

Additional in-kind contributions were provided by: Manitoba Water Stewardship – Conservation Districts Program, Ducks Unlimited Canada, Manitoba Habitat Heritage Corporation, Manitoba Agriculture, Food and Rural Initiatives, Manitoba Conservation, Manitoba Intergovernmental Affairs and Trade, Environment Canada, Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Manitoba Agro Woodlot Program, Manitoba Water Services Board, Manitoba Water Stewardship and numerous other local organizations.

Turtle River Watershed Conservation District

Introduction

The Turtle River Watershed Conservation District #2 (TRWCD) incorporated in 1975, includes approximately 2,350 km^2 of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire watersheds of the Hansen Creek, Turtle and Ochre Rivers. The TRWCD is further divided into three Sub-Districts (sub-watersheds) that encompasses all or part of the Rural Municipalities of Dauphin, Ochre River, Ste. Rose, Lawrence, Alonsa, McCreary, and Rosedale, as well the Town of Ste. Rose and the Village of McCreary.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#44 - Upper Turtle River	Dave Smith	McCreary
#45 - Lower Turtle River	Paul Brunel	Ste. Rose
#46 - Ochre River	Joe Felix	Ochre River
Board Chairperson	Paul Brunel	Ste. Rose
Provincial Appointee	Denis Maguet	Ste. Rose

Summary

The Board of the Turtle River Watershed Conservation District continued to focus on key watershed issues including the maintenance of agricultural drainage channels, associated crossings and ground water protection.

In Water Management, the District resolved a number of outstanding soil and water issues including finalizing legal surveys and land acquisition right of way payments. The District maintained approximately 115 km of agricultural drains through brushing, spraying, clean-outs and reconstruction. Seventeen erosion control structures were constructed along the Slawinski and Rosedale drains, two heavily eroded stretches of stream bank were stabilized. Spring flooding resulted in a number of crossings receiving extensive repairs and 10 crossings being replaced. Five abandoned wells were filled and sealed.

In the Soils Program, two sites were addressed under the Plastic Mulch-Shelterbelt Program. The District installed 500 ft of pipeline with a specialty (pipeline) plow to bury the pipe 18 inches underground. Approximately 150 ha of erosion prone agricultural land were seeded into forages, and over 1,500 trees were planted to stabilize stream banks and riparian areas. Three natural runs were reshaped into grassed waterways.

The District honoured the 2005 TRWCD Farm Family Award recipient Rocky Acres Dairy – Keith and Donna Devries and Family.

TOTAL EXPENDITURES 2005-06

Activity	Expenditure
Program Management	$ 67,478
Water	$377,805
Crossings	$ 96,335
Soils	$ 3,732
Wildlife/Fisheries	$ 6,193
Public Education	$ 44,447
Other	$ 5,233
TOTAL	$601,223

For further details see Auditor's Report, Appendix N

Water Management

INFRASTRUCTURE SERVICES

Land Management Service (LMS) – The District continued to finalize outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments, and interest which has been compounding annually for several years.

Drain Maintenance - In addition to regular vegetative maintenance by mechanical brushing and spraying on various agricultural drainage channels, work under this component included minor repairs, seeding and leveling of 2004 works on the PTH #50, West Bennet Drain, and Crawford Creek. General/minor drain works were completed on a number of areas with major upgrading works being undertaken on the Yonchieson, Hall, Seale, PTH #50, and Reeve Drains. A total of approximately 115 km of drains were maintained in the 2005 works season.

- 45 miles spraying.
- 35 miles mechanical brushing.
- Various locations underwent minor repairs due to June rains.
- Three stretches of natural runs were reconstructed into grassed waterways.

Beaver Management – Extensive beaver management was necessary in agricultural drains and District right of way. Approximately $20,000.00 is allocated annually for beaver management.

Miscellaneous – Annual spring icing problems were addressed and included culvert reinstallation, de-icing, erosion repair and debris removal. Average annual costs associated with the spring runoff are $15,000.00.

Crossing Repair and Replacement – In addition to the extensive maintenance repair program, 30 sites received minor repairs and four sites received major upgrading. The District updated the inventory of crossings and drains to be included in the Infrastructure Management Strategy.

SOURCE WATER PROTECTION

As part of an ongoing effort the District encourages producers and residents with financial incentives and extension services to protect water sources. This past year the District:

- Installed 500 ft of pipeline with a specialty (pipeline) plow for remote or off site watering.
- Planted over 1,500 trees to stabilize stream banks and riparian areas
- Sealed five abandon wells

Soil Conservation

Bufferstrip Program - The District continued its initiative to encourage producers to seed down forages along District drainage channels. The TRWCD provides 50/50 cost sharing to producers. In the future if there are reoccurring problems along specific drains, the District will only consider works if the landowner agrees to and maintains a buffer strip along the drain.

Grassed Waterway Program – Three producers participated in the program by re-sloping and seeding natural water runs on private land to prevent drain silting and gully formation, and to help improve water quality.

Rural Municipality Road Allowance Seeding Program – The TRWCD is contracted annually by District Rural Municipalities to seed road allowances along newly constructed roads. This program contributes to erosion prevention.

Shelterbelts/Plastic Mulch Application –Two sites were addressed this past fiscal year.

Land Cover Program - Approximately 150 ha of erosion prone agricultural land were seeded into forages.

Multiple Resource Projects/Recreation

The District conserves and maintains 971 ha of multi-resource land and is currently in the process of exploring management options to increase public use, generate revenue, and make it more suitable for wildlife and waterfowl habitat.

Wildlife/Fisheries Projects

Wildlife Incentive Program - A one-time payment of $300 is offered to local landowners under the Wildlife Incentive Program in return for leaving private land untouched for wildlife and other conservation benefits. To date, a total of approximately 540 ha of wildlife habitat have been co-operatively set aside.

Trout Stocking – The district once again continued a trout-stocking program in two local ponds in the RMs of Ste. Rose and McCreary.

Public Education and Extension

The District Conservation Farm Family in 2005 was Rocky Acres Dairy – Keith and Donna Devries and Family near Ochre River, Manitoba. The Devries family attended the 2005 Manitoba Conservation Districts Association annual conference in Brandon, Manitoba, as excellent representatives for our watershed.

The District participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:

- Trees were distributed in partnership with PFRA.
- Posters and presentations were completed.
- Farm Safety Camp Sponsorship.
- Science Fair competition and judging.

As a member of many organizations, the District is able to network, find partnerships and explore new and innovative ideas. The District also supports many community events either through participation or by supplying promotional items.

The District maintains a comprehensive, up-to-date inventory of slides and pictures of all District initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an Annual Banquet to inform the public on the many projects and partnerships.

Administration and Program Support

Administrative costs include staff salaries when unable to charge to specific projects, rent and office operation and/or utility costs. The District's staff compliment consists of a full time manager and administrative officer, one part-time secretary, one part-time project consultant, one part time surveyor and three full-time seasonal works crew. Assistance from the Summer Career Placement Program and the Hometown Green Team Program enables the District to employ two summer students to delivery programming.

Upper Assiniboine River Conservation District

Introduction

The Upper Assiniboine River Conservation District (UARCD) was established in 1996. The CD is roughly rectangular and is bordered by Riding Mountain National Park to the north, Virden to the south and runs from the provincial border with Saskatchewan in the west to the Town of Shoal Lake in the east. The CD covers an area of approximately 2,449 km^2.

UARCD includes the RMs of Rossburn, Ellice, Birtle, Shoal Lake, Archie, Miniota, Hamiota, Wallace, and Woodworth as well as the Towns of Rossburn, Birtle, Shoal Lake, Hamiota, Elkhorn and St. Lazare. The district is divided into 11 Sub-Districts with a total of 64 Sub-District members representing the watersheds.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 Upper Oak River	Johnny Michasiw	Shoal Lake
#73 Lower Oak River	Bruce Cochran	Hamiota
#73A Lower Assiniboine River	Robert Alexander	Lenore
#75 Boshill Creek	Bill McQuaker	Virden
#74 Minnewasta Creek	Rusty Still	Isabella
#74A Arrow River	Theresa Michalchuk	Kelloe
#78 Snake Creek	Bill Stewart	Foxwarren
#78A Wythes Niso	Tom Judd	McAuley
#78B Qu'Appelle River	Guy Huberdeau	St. Lazare
#78C Brennand/Scissor Creek	Robbie Craig	McAuley
#77 Birdtail River	Ron Kostesky	Rossburn
Board Chairperson	Leonard Sitko	Oakburn

Summary

After nine years of soil and water management UARCD is now considered one of the resource authorities in the watershed. This year we continued to build relationships with both agency partners and local producers, expanded our educational activities and increased the scope of our resource protection and monitoring abilities. Working collaboratively with the neighbouring Conservation District, the UARCD found ways to stretch conservation dollars and take advantage of cost saving opportunities where feasible. Milestones of the 2005-2006 fiscal year included securing some of the largest external grants to date and updating the aerial imagery of the watershed for the purpose of more accurate and prioritized programming.

TOTAL EXPENDITURES 2005-2006

Activity		**Expenditure**
Water Management		$143,618
Soil Programs		$ 59,376
Public Education		$ 96,649
Program Management		$ 31,910
Wildlife		$ 3,126
Assets		$147,809
Board Truck Expense		$ 4,616
	TOTAL	**$487,105**

For further detail see auditors report, Appendix O

Water Management

- Sealing 45 abandoned wells
- Construction of 6 livestock crossings
- Assisting with 17 alternative livestock watering projects
- Installing Demo Alternative Water System at 11 sites
- Repair of five dams
- The district assisted 17 landowners in installing pipeline designed to provide remote water from a variety of applications

Soil Conservation

- Riparian management planning assistance and funding.
- Provided rotational grazing funding and plans to 16 landowners.
- The saline seed program, funded by Ducks Unlimited, provided seed to 15 landowners sowing 235 acres of problem saline areas to permanent cover.
- Through the forage seed program 38 landowners were able to transform marginal land to more sustainable permanent cover.
- Provided incentive to sow winter cereals and nine landowners enrolled over 100 ha of cropland.
- UARCD assisted 14 landowners with the design and planting of over 15.2 km of new shelterbelts and 3,292 meters of replants.

Wildlife Programs

- Continued our conservation partnerships with Ducks Unlimited
- Offered riparian protection through fencing initiatives

Education

- Conservation in the Classroom is a tree planting education seminar for area students that reached every school in the district.
- Partial funding was received by Green Cover Canada to evaluate BMP practices.
- Two newsletters describing district activities were published and bulk mailed to all boxes within the watershed.
- The district had the Rossburn School participate in a riparian planting program.
- The district held its annual youth speaking competition. Jolene Hodgins won our district award and went on to win the Provincial competition held at the MCDA annual convention.
- The UARCD awarded Ryan Sitko and family the annual conservation farm designation and articles appeared in the Virden Empire Advance, Crossroads, and Russell Banner.

External Funding

Total External Funding 2005-2006

Program/Partner	Funding
Ducks Unlimited	$ 7,706
PFRA	$ 5,000
Manitoba Hydro - Forest Enhancement	$ 3,247
Green Cover Canada	$ 7,505
Shell Canada	$ 4,700
Intergovernmental Affairs	$ 24,000
Sustainable Development Innovations	$ 50,000
Manitoba Hydro - Orthophotos	$ 5,000
Manitoba Agriculture, Food,	$ 5,000
Manitoba Transportation & Government Services	$ 5,000
Manitoba Conservation	$ 5,000
Department of Fisheries	$ 5,972
Agriculture Sustainability Initiative	$ 3,737
Hometown Green Team	$ 4,668
GIS Partners Fund	$ 5
MTC ML Rebate	$ 72
Holistic Management Course	$ 442
TOTAL	$137,054

Administration

This program includes staff salaries and expenses, remuneration for board and sub-district members, rent and other operating costs. Staffing remained unchanged during 2005-2006.

West Souris River Conservation District

Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's 7th Conservation District on January 1, 1995. Expansion of the district on April 1, 1999 added the RM of Cameron to the original membership of Albert, Edward, Pipestone and Sifton municipalities. A second expansion in April, 2002 brought part of the RM of Wallace into the district. A total of seven sub districts were formed on the basis of the watersheds of several creeks within the district. Boundary alignment with the Turtle Mountain Conservation District (TMCD) in 2004 saw the Souris River utilized as the boundary between the two districts. Six sub-districts now make up WSRCD. The WSRCD now covers approximately 4,208 km^2 (1625 sq. miles) of south western Manitoba.

Communities in WSRCD face numerous challenges in sustaining long-term productive use of their natural resource base. District programs have been designed to locally manage soil and water resources in the area.

WEST SOURIS RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2005-2006

Sub-District	Chairperson	Address
#98 - North Pipestone/Sifton	Richard Thiry	Oak Lake
#62 – Pipestone/Plum Creek	Alex Grieve	Virden
#63 - Stony Creek	Lloyd Atchison	Pipestone
#64 - Jackson/Graham Creek	Perry Hendry	Tilston
#65 - Gainsborough/South Antler	Tim McMechan	Lyleton
#67 - Central Souris River	Gordon White	Hartney
Board Chairperson	Gregg Fotheringham	Reston
Provincial Appointee	Vacant	

Summary

Celebrations took place in the form of a 10th Anniversary Banquet held in Pipestone. Close to 200 residents and invited guests attended.

Partnerships for program delivery were formed with many agencies including Ducks Unlimited Canada (DUC), National Water Supply Expansion Program, Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative, Prairie Farm Rehabilitation Administration, and Manitoba Water Services Board.

The Board continues to work toward the completion of the watershed planning process. The development of a drainage policy was initiated and plans were set out to summarize the draft plan and format it for public distribution.

WSRCD continued to deliver a strong water management program through a wide array of projects aimed at water quality and quantity. Water quality testing of ground and surface water sources was carried out and the well sealing program was continued. Extreme rainfall left much of the southwest waterlogged and as a result some program delivery was reduced compared to other years.

Soils programs consisted of forage demonstrations and shelterbelt planting.

Numerous partnerships enabled WSRCD to deliver a well rounded educational program. New to the district's educational program was a partnership with other districts to host the first annual Southwest Manitoba Water Festival.

WSRCD continued to meet with their Saskatchewan neighbours through the watershed planning processes taking place in both provinces.

TOTAL EXPENDITURES 2005-2006

Activity	Expenditures
Water Management	$144,237
Soils	$ 58,985
Public Education & Awareness	$ 77,911
Wildlife	$ 5,195
Administration	$ 25,685
Assets	$ 20,411
TOTAL	$332,424

For further details see Auditor's report, Appendix P

Water Management

The protection, development and wise use of ground and surface water sources are the foundation of the WSRCD water management programming. Wet weather hampered some program delivery such as offsite watering and pasture pipeline projects. As well, warm weather throughout the winter prevented the dead elm removal along the Pipestone Creek from being completed. The following programs and initiatives were implemented in order to meet the District's goal of ensuring water quality and quantity for district residents:

- Sealing of six abandoned wells.
- Assistance on the development of 13 new farm wells.
- Provided bottles to residents for water chemistry testing on private wells.
- Continued surface water quality testing on all creeks in district.
- Ten referrals made to MWSB for off site watering and other water development projects.
- Five km of water lines were installed with the pasture pipeline plough to provide water supplies for two livestock operations.
- Manager and Board members continued to take active roles in management of the Oak Lake Aquifer through their representation on the Oak Lake Aquifer Management Advisory Board (OLAMAB).
- Actively participated in the Southwest Manitoba Water Development Team.
- Submitted proposal to DFO for continuation of the removal of dead elms from along 17 miles of the Pipestone Creek. Record winter temperatures made ice conditions unsafe for the completion of the proposed work.
- Two feedlot diversion projects were referred to the Environmental Farm Plan Program.
- Two riparian projects aimed at creek bank and lake shore protection were completed with offsite watering and riparian fencing.
- Maintained contact with Saskatchewan regarding watershed planning and attended meetings and tours in Saskatchewan.

- Assisted member municipalities with DFO compensation projects for bridge replacements on a number of streams.
- Board approved the decommissioning of a small dam that was perceived by local landowners to be problem with regards to flooding of adjacent farm land.
- Following the goals of the District's watershed plan, the Board held a meeting with sub district members to develop a drainage policy.
- Continued to work cooperatively with PFRA, Manitoba Water Stewardship and Hydrogeological Consultants Ltd. to complete the report on the Groundwater Assessment in Southwest Manitoba.

Soil Management

WSRCD continued to deliver a scaled-down soils program. Soils programs consisted of the following activities:

- Fencing plan developed with Crown Lands Branch on pasture land near Oak Lake.
- 24.3km of new shelterbelts were planted and maintenance continued on more than 20 km. Extreme wet weather lead to poor survival on some species.
- Forty ha of salinity forage was planted by 10 producers.
- Maintained the Tilston Forage Demonstration plot.
- Provided GIS services to residents for farm and land use planning.

Public Education and Awareness

WSRCD continued to deliver strong education and awareness programs to residents through youth programs as well as through demonstrations and tours for producers. As in the past, many other agencies offered financial or technical support for our education programs that included:

- Environmental education projects and programs with seven schools that included Classroom Conservation, shelterbelt education, aquatic studies, and the Oak Hammock Marsh Interpretive Centre's "On the Go Program", The Clean Stream Team, and Canupawakpa Nature Trail.
- Forage plot showing over 30 grasses and legumes was maintained.
- The Decocks of Deleau were selected as the Conservation Family.
- A number of news articles were written about or submitted by the district, for local papers.
- Guided tours of the Canupawakpa Nature Trail with students from Reston Elementary School.
- Assisted with tree planting at Canupawakpa Nursery School.
- Manager and staff volunteered at the Amazing Ag Adventures in Brandon.
- Hosted *Managing the Water's Edge* workshop.
- Partnered with Turtle Mountain, Mid Assiniboine River and Tiger Hills Conservation Districts on a joint newsletter and the first annual Southwest Manitoba Water Festival. Two hundred students and over 30 volunteers took part in this new activity.
- The Virden Area Foundation provided a grant to WSRCD for the printing of a new brochure for the Canupawakpa Nature Trail.
- Manager provided a guided tour of the nature trail for 4-H members attending the 4-H Rally in Reston.

Wildlife

WSRCD continued to promote programs for the benefit of wildlife such as salinity and forage plantings, riparian management, rotational grazing and shelterbelts. Some resources were spent on problems such as beaver control.

Administration

Administrative costs included office staff salaries, reimbursed expenses and office/shop operation costs. Administrative activities included:

- Watershed planning process continued with staff and board members reviewing the plan and working toward some of the stated goals.
- The position of Provincial Appointee remains vacant.
- WSRCD celebrated the 10th anniversary of the formation of the district.

Project Management

Project support costs consisted of equipment maintenance and leases, remunerations for the Board and Sub-District members and salaries for technical support staff and program coordination and planning.

External funding

Many new and existing partnerships with government, non-government and private agencies provided additional funding or assistance to deliver valuable resource management projects in WSRCD. We wish to express our gratitude to:

Partner/Program	**Funding**
Manitoba Habitat Heritage Corporation	$ 3,939
Fisheries Enhancement Initiative	$ 5,474
Career Start	$ 2,030
National Water Supply Expansion Program	$24,374
Virden Area Foundation	$ 2,000
Manitoba Water Stewardship – Water Quality	$12,000
Total	**$49,817**

Additional contributions through technical assistance and in kind services were provided by: Manitoba Water Services Board, Manitoba Crown Lands, Manitoba Agriculture and Food, National Water Supply Expansion Program, Manitoba Conservation, Prairie Farm Rehabilitation Administration, Ducks Unlimited Canada, Manitoba Conservation Districts Program and Manitoba Agro Woodlot Program.

Whitemud Watershed Conservation District

Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 7,114.9 km^2 extending from Carberry north to Kelwood, and from Portage Diversion west toward Minnedosa.

The area includes portions of 15 municipalities and three towns. There are eight Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each committee chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2005-06

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#35 - Rat Creek	Tom Tunski	Rossendale
#36 - Westbourne Drain	Bill Wieler	MacGregor
#37 - Squirrel Creek	Minnie Parynuik	MacGregor
#38 - Pine Creek	Roy McConnell	Gladstone
#39 - Upper Whitemud	Wayne Csversko	Neepawa
#40 - Boggy Creek	Wes Pankratz	Minnedosa
#42 - Big Grass Marsh	Doug Popkes	Arden
#43 - Big Grass River	Danny Post	Waldersee
Board Chairperson	Robert Rodgers	MacGregor
Provincial Appointee	Bud G. Johnson	Neepawa

Summary

The WWCD continued to pursue efficiencies and cost savings within its program in 2005-06. The District undertook modifications to program delivery to allow more projects at a lessened cost. Savings were found in the administration of the soils and wildlife programs, and infrastructure management.

The District continued to place a large emphasis on water management in 2005-06. The District surveyed and drew plans for the establishment of three backflood projects covering over four sections.

In the Water Control Program, 1,184 km of drainage channels were mowed, 16 km of drains were reconstructed, 16 grassed runways were completed, and eight creek fencing projects to improve riparian areas were constructed. Seventy-three bridge and culvert crossings were repaired and 26 crossings were replaced.

The District also replaced one crossing and repaired three under the terms and conditions of the MOU on PR/PTH crossings.

Soil Conservation initiatives saw 32 landowners seed 614.8 ha of erosion risk soils to forages and 11.2 km of field shelterbelts planted. Cook Farms (Bruce and Donna) won the Conservation Farm Family Award.

The District sponsored a number of conservation education initiatives with area schools, highlighted by the "Johnny Appleseed" Program that provided 214 apple trees to Grade 5 students in 27 area schools.

The Whitemud Watershed Conservation District received over 3,000 calls and met on-site with over 500 residents of the District in 2005-06.

TOTAL EXPENDITURES 2005-06

Activity	**Expenditure**
Administration	
Program Support / Planning	$ 37,601
Office Operation	$ 53,603
Assets	
Infrastructure Reserve Account	$ 43,558
Conservation/Legacy Reserve Funds	$ 3,800
Office Equipment	$ 1,196
Land Purchase	$ 24,057
Public Education	$107,253
Soil Conservation	$ 66,441
Wildlife & Fisheries	$ 6,386
Water Management	
Maintenance	$413,050
Water Retention	$ 20,488
Drainage Management Project	$ 19,744
Surveys	$ 6,325
Crossings	
Repairs	$129,857
Replacements	$ 87,961
PR/PTH	$ 29,259
TOTAL	**$1,050,579**

For further details see Auditor's Report, Appendix Q.

Water Management

The District's Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man-made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation to prevent channel sedimentation and gully stabilization projects. The District completed water quality sampling of tile drainage sites in partnership with Manitoba Water Stewardship.

The District and Province continued to partner on drainage licencing within the Drainage Management Project with 72 files resolved. The District also advanced its Water Retention Concept in 2005 by surveying and designing three potential sites for backflood projects.

Crossings

The District continued to follow its 15 year crossing replacement plan in 2005-06. Twenty-six crossings were replaced and 73 crossings were repaired. Extensions were built to allow for larger equipment on 12 crossings.

To ensure that local funds are available when numerous large, expensive crossings require replacement in future, $48,558.01 local dollars were placed into the District's Infrastructure Reserve Account.

Each Sub-District implemented one or more specified Projects within its area. They are as follows:

Sub-District #35:
- Three crossings replaced.
- Maintenance on 8 crossings.
- Beaver dam program.
- Re-shaping done on Tomchuck, Mount Pleasant and Wolfe drains.
- Maintenance on three shale traps.
- Mowing and spraying maintenance.
- Surveys obtained on 3 other district projects by Province of Manitoba.
- Aerial photos of Rat Creek obtained after summer rains.

Sub-District #36:
- Maintenance on six crossings.
- Two crossings replaced.
- Survey on three other district projects.
- Re-shaping done on Image Creek, Beaver Creek runway, Lake 24 Drain.
- Mowing and spraying maintenance.
- Two runway projects seeded down.
- Land purchase, temporary water retention project.

Sub-District #37:
- Maintenance done on seven crossings.
- Control of leafy spurge and small shrubs.
- Two crossings replaced.
- Re-shaping maintenance on Hugo Drain.
- Mowing maintenance.
- Surveys on two other district projects.
- Constructed one gradient control structure.
- Temporary water project started.

Sub-District #38:
- Maintenance on eight crossings.
- Beaver dam program.
- Control of leafy spurge and small shrubs.
- Mowing maintenance.
- One crossing replaced.
- Maintenance on a small retention project.
- Re-shaping on Gillespie Drain, Pine Creek and Campbell Drain stabilization. Partner with RMs on bank stabilization.

Sub-District #39:
- Maintenance on 11 crossings.
- Control of leafy spurge and small shrubs.
- Nine runways worked on.

- Beaver dam program.
- Mowing maintenance.
- Bank Stabilization on Eden Creek.
- Hand brushing on 1 district project. Partnered with RM and a Village on a major bank brushing project.
- Surveys obtained on 2 other projects.

Sub-District #40:

- Worked on seven runways.
- Maintenance on one crossing.
- Mowing maintenance.
- Beaver dam maintenance.
- Control of leafy spurge.
- Stone picking in runways was undertaken.

Sub-District #42:

- Maintenance on 19 crossings.
- Control of leafy spurge.
- Nine crossings replaced.
- Cleanout on Ogilvie, Jordan, Sollner and Collins drains.
- Mowing maintenance.
- Beaver dam program.
- Surveys obtained on another two drains for proposed works.
- Bank stabilization on Cross Ditch, brushing program.
- Working on alternate access, when existing structure is to be rationalized.
- Stone picking in drains was undertaken.

Sub-District #43:

- Maintenance on 25 crossings.
- Mowing, small shrub spraying and hand brushing.
- Nine crossings replaced.
- Cleanout of N 21-17-14, Bellhampton, Potts, Big Grass and Pelican drains.
- Beaver dams removed.
- Stone picking in drains undertaken.
- Surveys obtained on another 6 proposed works.
- Two PR/PTH crossings repaired.
- One ring dyke around farmyard.
- One temporary retention project initiated.

Soil Conservation

Forage Assistance Program: There were 614.8 ha seeded to forage by 32 landowners. Cost-sharing was 75% landowner and 25% District.

Shelterbelt Assistance Program: There were 11 km of new plantings including field shelterbelts, wildlife tree plantings and five block tree plantings. There were 37 km of shelterbelt weed control completed.

Riparian Program: Six "Healthy Streambanks" Projects were developed to promote livestock management and improve riparian areas within the Whitemud River Watershed.

Wildlife & Habitat Programs

Wildlife Habitat Preservation: One new Wildlands Project was established and three signs replaced, as well as 30 Conservation Corridor signs replaced. Two riparian projects were initiated in the Upper Whitemud Basin Study area. This study identified over 50 potential Projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drain.

The District established a new conservation fund with local money to purchase conservation interest within Conservation Agreements in partnership with Manitoba Habitat Heritage Corporation. Four projects protecting 95.56 ha were initiated under this program.

The District acquired a quarter section of erosion-sensitive land along the steep slope of the Manitoba Escarpment in 2005.

Public Education & Extension Services

- Twenty-five Boy Scouts and leaders planted 2,500 trees south of Franklin.
- School plantings at Neepawa and Eden.
- Two hundred and fourteen Grade 5 students received a five foot apple tree.
- Whitemud Newsletter distributed to all households.
- District appeared in print media over 53 times.
- Appeared on television three times.
- Utilized radio advertising for programs and promotion.
- Over 15 presentations/tours given.
- Conservation magazine subscriptions purchased for 12 school libraries.
- 34th Annual Whitemud Bonspiel held, co-hosted annual Tri-District Golf Tournament.
- Met at least once with all 18 councils in district.
- Distribution of district placemats (20,000).
- Sponsored Eco-Van at 6 schools.
- Presentations at seven Environmental Farm Plan Workshops.

External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

Program/Partner	**Funding**
Hometown Green Team	$ 2,284
Fisheries Enhancement Initiative	$25,000
PR/PTH MOU with IGA	$29,259
MB Water Stewardship (survey)	$ 4,744
Farming For Tomorrow	$ 445
TOTAL	$61,732

Administration

This Program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs.

ALONSA CONSERVATION DISTRICT NO. 3

FINANCIAL STATEMENTS

MARCH 31, 2006

ALONSA CONSERVATION DISTRICT NO. 3

MARCH 31, 2006

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chartered accountants LLP

AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2006 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2006 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 12, 2006

ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 53,802	$ 67,044
Accounts receivable		
General	30,048	48,874
GST recoverable	2,595	-
Province of Manitoba, page 11	-	2,595
	86,445	118,513
CAPITAL ASSETS, notes 2 and 3	45,093	8,232
	$ 131,538	$ 126,745
LIABILITIES		
CURRENT		
Current portion of long term debt, note 4	$ 7,665	$ -
Province of Manitoba, page 11	2,253	-
Unexpended grants, note 5	46,816	83,483
	56,734	83,483
EMERGENCY RESERVE	20,000	20,000
LONG TERM DEBT, note 4	30,019	-
	106,753	103,483
NET ASSETS		
INVESTED IN CAPITAL ASSETS	10,004	8,232
UNRESTRICTED	14,781	15,030
	24,785	23,262
	$ 131,538	$ 126,745

APPROVED BY THE BOARD:

Edward Eden Chairman

Danny North Member

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2006

	Invested in Capital Assets	Unrestricted	Total 2006	Total 2005
BALANCE, beginning of year	$ 8,232	$ 15,030	$ 23,262	$ 23,833
Excess (deficiency) of revenue over expenditures	(2,865)	4,388	1,523	(571)
Investment in capital assets	4,637	(4,637)	-	-
BALANCE, end of year	$ 10,004	$ 14,781	$ 24,785	$ 23,262

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Province of Manitoba allocated grant	$ 235,152	$ 242,064
Municipal grants	80,000	80,000
Farmer assistance revenue	17,216	41,766
Infrastructure Reserve	50,000	-
Grant revenue, page 8	30,544	59,557
Sundry	815	1,551
	413,727	424,938
EXPENDITURES		
Project expenditures, page 8	235,476	186,791
Board remuneration and expense	24,139	21,102
Other administration	28,477	25,732
Depreciation	2,865	3,271
MCDA dues	5,488	5,025
Soils	60,183	100,080
Public relations and education	15,467	15,479
Summer Career, Partners with Youth, and Green Team programs	24,014	30,008
Fisheries	17,732	39,734
Wildlife	9,143	5,850
GST recovered	(10,780)	(7,563)
	412,204	425,509
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 1,523	$ (571)

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2006

	2006	2005
Cash flow from operations		
Cash received from provincial, municipal, and other grants	$ 363,877	$ 381,891
Cash received from other sources	36,858	32,918
Cash paid to projects, suppliers and employees	(411,934)	(422,238)
Cash flow from (used by) operations	(11,199)	(7,429)
Cash flow from financing activities		
Purchase of capital assets	(39,727)	-
Proceeds of long-term debt	38,323	-
Repayment of long-term debt	(639)	-
Cash flow from investing activities	(2,043)	-
DECREASE IN CASH	(13,242)	(7,429)
CASH - beginning of year	67,044	74,473
CASH - end of year	$ 53,802	$ 67,044

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

1. NATURE OF ORGANIZATION

The District was established in February 1978. Its mandate is to provide soil and water management decisions on resource conservation and environmental awareness for the area along the western shores of Lake Manitoba.

2. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition. Depreciation on the vehicle has been claimed at a rate of 20% straight-line and prorated in the year of acquisition.

(b) Revenue recognition

The Province of Manitoba grant is recognized as revenue when the related expenses are incurred. Any excess or shortfall is shown as accounts receivable or accounts payable.

Municipal grants are recognized as revenue when received.

Other grants are recognized as revenue when the related expenses are incurred. If the related expenses are not incurred by the end of the year, the grant is deferred to future periods and shown as unexpended grants.

Farmer assistance revenue is recognized when earned if the amount can be determined and collection is reasonably assured.

3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2006 Net Book Value	2005 Net Book Value
Equipment	$ 63,160	$ 57,242	$ 5,918	$ 7,690
Computer hardware	10,542	10,542	-	542
Vehicle	39,727	552	39,175	-
	$ 113,429	$ 68,336	$ 45,093	$ 8,232

4. LONG TERM DEBT

	2006	2005
Vehicle loan, non-interest bearing, repayable in monthly principal payments of $639. The loan matures on February 28, 2011 and is secured by the vehicle.	$ 37,684	$ -
Less, current portion	7,665	-
	$ 30,019	$ -

Principal repayment terms are approximately:

2007	$ 7,665
2008	7,665
2009	7,665
2010	7,665
2011	7,024
	$ 37,684

5. UNEXPENDED GRANTS

	2006	2005
Ducks Unlimited	$ 3,483	$ 3,483
Infrastructure Reserve Fund	43,333	80,000
	$ 46,816	$ 83,483

6. FINANCIAL INSTRUMENTS

The District's financial instruments consist of cash, accounts receivable and unexpended grants. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF GRANT REVENUE AND PROJECT EXPENDITURES
YEAR ENDED MARCH 31, 2006

	2006	2005
GRANT REVENUE		
Green Team Program	$ 9,174	$ 8,346
Green House Gas Reduction project	7,895	14,346
Fisheries Enhancement Fund	1,359	23,231
Lake Manitoba Fisherman's Association	2,000	2,000
Manitoba Metis Federation	8,124	7,776
Birdwatchers Fund	1,992	2,326
Career Placement Program	-	932
Miscellaneous grants	-	600
	$ 30,544	$ 59,557
PROJECT EXPENDITURES		
Leafy Spurge Program	$ -	$ 345
Forestry	2,214	1,346
Fisheries Habitat Enhancement	6,642	18,877
Miscellaneous crossing repairs	103,681	24,809
Water	97,842	23,023
Channel Maintenance	8,724	65,554
Channel Maintenance - Beavers	12,333	27,462
Trail Maintenance	1,273	3,506
GIS / Inventories plotting	-	11,701
On-Site Program	2,767	10,168
	$ 235,476	$ 186,791

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2006
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROJECTS AND PROGRAMS					
Trails Maintenance	$ 1,273	75/25/0	$ 956	$ 317	$ -
Public Relations and Education	14,235	75/25/0	10,676	3,559	-
Career Placement	861	75/25/0	646	215	-
MultiDisc.Proj/Demos/Tours	1,233	75/25/0	925	308	-
MCDA Dues	5,488	75/25/0	4,116	1,372	-
On-site Program	2,767	75/25/0	2,076	691	-
Green Team	23,153	45/15/40	10,419	3,473	9,261
Forage Assistance	47,216	48/52/0	22,500	24,716	-
Remuneration	24,139	75/25/0	18,104	6,035	-
Soils Projects					
- EcoAction GHG Project	12,475	29/09/62	3,619	1,122	7,734
- Riparian Projects	3,075	75/25/0	2,306	769	-
- Conservation Agriculture	492	75/25/0	369	123	-
Fish Spawning Project	17,732	27/9/11/53	4,788	3,546	9,398
Fisheries Inventories Project	6,642	75/25/0	4,982	1,660	-
Wildlife Incentive	2,857	75/25/0	2,144	713	-
Habitat Preservation	3,210	75/25/0	2,408	802	-
Shelterbelt	492	75/25/0	369	123	-
Channel maintenance - SD 107	34,108	75/25/0	25,581	8,527	-
Channel maintenance - SD 157	4,383	75/25/0	3,287	1,096	-
Channel maintenance - SD 113	12,892	75/25/0	9,669	3,223	-
Channel maintenance - SD 160	25,093	75/25/0	18,820	6,273	-
Channel maintenance - SD 110	15,156	75/25/0	11,367	3,789	-
Abandoned Well Projects	1,107	75/25/0	830	277	-
Planning/GIS/Surveying	12,546	75/25/0	9,411	3,135	-
Equipment Repair	2,079	75/25/0	1,559	520	-
Spraying	1,128	75/25/0	846	282	-
Crossings - SD 160	7,397	75/25/0	5,548	1,849	-
Crossings - SD 107	2,136	75/25/0	1,602	534	-
Crossings - SD 110	3,773	75/25/0	2,830	943	-
Crossings - SD 113	1,897	75/25/0	1,424	473	-
Infrastructure/inventories	18,055	75/25/0	13,541	4,514	-
Infrastructure Reserve Fund	13,333	75/25/0	10,000	3,333	-
Ruskin Infrastructure Project	69,218	21/7/18/54	14,536	17,304	37,378
	391,641		222,254	105,616	63,771

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2006
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROGRAM SUPPORT					
Office Operation	27,977	75/25/0	20,983	6,994	-
100% Board administration	501	0/100/0	-	501	-
	28,478		20,983	7,495	-
OTHER PROGRAMS					
A. Robertson Museum	9,391	0/0/100	-	-	9,391
GST refund	(10,780)	75/25/0	(8,085)	(2,695)	-
	(1,389)		(8,085)	(2,695)	9,391
ASSETS					
Non-cost shared depreciation	2,865	0/100/0	-	2,865	-
	2,865		-	2,865	-
TOTAL	$ 421,595		$ 235,152	$ 113,281	$ 73,162
PERCENTAGE OF COSTS	100 %		56 %	27 %	17 %

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2006

	2006	2005
Provincial Grant	$ 240,000	$ 240,000
Less, receivable, beginning of year	2,595	531
	237,405	239,469
Less: Provincial allocation	235,152	242,064
Receivable (Payable), end of year	$ (2,253)	$ 2,595

COOKS CREEK
CONSERVATION DISTRICT NO. 5

FINANCIAL STATEMENTS

MARCH 31, 2006

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5	Statement of Revenue and Expenditures
6	Statement of Cash Flows
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11 - 12	Schedule of Expenditures
13	Schedule of Cost Sharing

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AUDITOR'S REPORT

TO THE MEMBERS:
COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the statement of financial position of Cooks Creek Conservation District No. 5 as at March 31, 2006 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Note 1c) describes the District's accounting policy with respect to capital assets. The note indicates that the District is expensing capital assets in the year of purchase. In this respect the financial statements are not in accordance with Canadian generally accepted accounting principles which require that capital assets be included on the statement of financial position and be amortized over their estimated useful life.

In my opinion, except for the effects of the failure to capitalize and amortize capital assets as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2006 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 30, 2006

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2006

ASSETS

	2006	2005	2004
CURRENT			
Cash and term deposits	**$ 222,423**	$ 7,647	$ 159,217
Accounts receivable (note 3)	**19,068**	66,027	6,445
Prepaid expense	**4,150**	2,257	1
	245,641	75,931	165,663
CAPITAL (notes 2c and 4)	**56,869**	30,361	30,361
INVESTMENT	**-**	-	1,000
UNFUNDED DEFICIT	**-**	-	331,681
WILDLIFE HABITAT AREA (note 5)	**439,249**	439,249	296,000
	$ 741,759	$ 545,541	$ 824,705

APPROVED BY

Director

Director

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2006

LIABILITIES

	2006	2005	2004
CURRENT			
Accounts payable	**$ 34,852**	$ 1,631	$ 2,727
Unearned revenue (note 6)	**131,113**	22,000	150,000
Current portion of long-term debt	**12,151**	5,107	-
	178,116	28,738	152,727
RESERVE FUNDS (note 8)	**49,939**	30,171	20,008
LONG-TERM DEBT (note 7)	**150,040**	135,403	-
	378,095	194,312	172,735

SURPLUS

RESTRICTED (note 5)	**296,000**	296,000	296,000
SURPLUS (page 4)	**67,664**	55,229	355,970
	$ 741,759	$ 545,541	$ 824,705

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005	2004
Surplus, beginning of year	**$ 55,229**	$ 355,970	$ 362,990
Excess of revenue over expenditures	**32,204**	42,103	10,978
Transfer to reserve fund	**(19,769)**	(10,163)	(9,998)
Write-down of investment to estimated realizable value	-	(1,000)	(8,000)
Write-off unfunded deficit	-	(331,681)	-
SURPLUS, END OF YEAR	**$ 67,664**	$ 55,229	$ 355,970

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005	2004
REVENUE			
Municipal levies			
Rural Municipality of Brokenhead	**$ 249**	$ 249	$ 249
Rural Municipality of Ste. Anne	**2,840**	2,890	2,883
Rural Municipality of Springfield	**124,551**	121,509	121,334
Rural Municipality of Tache	**7,316**	7,245	7,261
Provincial grants			
Water Stewardship	**275,000**	270,000	260,000
Other	**224,191**	50,809	-
Other funding	**64,234**	14,643	24,346
GIS partnership	**1,140**	-	-
Canada Employment	-	3,920	-
Cost sharing - Salmon Lake study	**27,090**	-	-
Drainage and crossing projects			
Rural Municipality of Springfield	**61,000**	167,000	185,338
Drainage trust fund	**190,396**	-	-
Manitoba Water Services Board			
Special crossings infrastructure fund	-	-	75,000
National soils and PFRA	-	2,050	3,100
Donations	**1,200**	-	350
Interest	**5,706**	4,528	3,898
Transportation and maintenance (note 9)	**2,707**	-	-
Insurance proceeds	-	6,904	-
	987,620	651,747	683,759
EXPENDITURES			
Administration (page 11)	**95,835**	63,951	68,569
Public education (page 11)	**71,070**	49,742	61,503
Assets (page 11)	**3,432**	16,607	2,181
District programs (page 12)	**785,079**	479,344	540,528
	955,416	609,644	672,781
EXCESS OF REVENUE OVER EXPENDITURES	**$ 32,204**	$ 42,103	$ 10,978

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue over expenditures	**$ 32,204**	$ 42,103	$ 10,978
Adjustment for:			
Amortization	**5,503**	-	-
	37,707	42,103	10,978
Changes in non-cash working capital (note 10)	**187,399**	(190,934)	(145,680)
Cash flows from (used in) operating activities	**225,106**	(148,831)	(134,702)
CASH FLOWS FROM INVESTING ACTIVITIES			
Renovation costs for office facility	**-**	(143,249)	-
Purchase van	**(32,011)**	-	-
Decrease in investment	**-**	1,000	8,000
Write-down of investment to estimated net realizable value	**-**	(1,000)	(8,000)
Cash flows from (used in) investing activities	**(32,011)**	(143,249)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt	**34,102**	143,249	-
Repayment of long-term debt	**(12,421)**	(2,739)	-
Cash flows from (used in) financing activities	**21,681**	140,510	-
NET INCREASE (DECREASE) IN CASH	**214,776**	(151,570)	(134,702)
Cash at beginning of year	**7,647**	159,217	293,919
CASH AT END OF YEAR	**$ 222,423**	$ 7,647	$ 159,217

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2006

1. PURPOSE OF THE ORGANIZATION

Cooks Creek Conservation District No.5 is a not-for-profit organization funded primarily by local municipalities and the Province of Manitoba. The purpose of the organization is to manage the natural resources located within its boundaries in such a way that they are passed on to future generations in the same or better condition than at present.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Inventories**

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) **Income taxes**

Cooks Creek Conservation District No. 5 is a not-for-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Capital assets**

Effective with the fiscal year ending March 31, 2001 the District adopted a policy expensing capital assets in the year of purchase with the exception of a van purchased in April 2005. The cost of the van less its estimated residual value is being amortized on a straight line basis over four years. Amortization of $5,503 relating to the van was charged to transportation and maintenance revenue during the year.

d) **Financial instruments**

Interest rate risk
This is the risk to the organization's earnings that arises with fluctuations in interest rates. The organization does not use any derivative financial instruments to reduce its exposure to interest rate risk.

Fair value
The carrying values of financial assets and financial liabilities are considered to approximate fair value unless otherwise disclosed.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. ACCOUNTS RECEIVABLE

	2006	2005	2004
Canada/Manitoba Infrastructure Program	**$ -**	$ 4,019	$ -
Goods and services tax	**18,068**	21,019	6,445
Manitoba Floodway - Participant Assistance Program	**-**	24,500	-
Manitoba Water Stewardship	**1,000**	-	-
Rural Municipality of Springfield	**-**	16,489	-
	$ 19,068	$ 66,027	$ 6,445

4. CAPITAL ASSETS

	Cost	**Accumulated Amortization**	**Net Book Value 2006**	2005	2004
Land	**$ 8,454**	**$ -**	**$ 8,454**	$ 8,454	$ 8,454
Office & computer equipment	**31,625**	**21,277**	**10,348**	10,348	10,348
Program support equipment	**18,472**	**6,913**	**11,559**	11,559	11,559
Vehicle	**32,011**	**5,503**	**26,508**	-	-
	$ 90,562	**$ 33,693**	**$ 56,869**	$ 30,361	$ 30,361

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2006

5. WILDLIFE HABITAT AREA/RESTRICTED SURPLUS

The wildlife habitat area figure is comprised of two amounts.

Ecologically sensitive land donated to the District	$ 296,000
Cost of renovating house into office facility	143,249
Total	$ 439,249

Under the terms of an agreement reached with the donor of the land, use of the land is restricted to a wildlife habitat area. The estimated fair market value of the land in the year the land was donated to the District is included as a restricted surplus on the statement of financial position.

6. UNEARNED REVENUE

	2006	2005	2004
Rural Municipality of Springfield - tributary drains	**$ 93,753**	$ 13,000	$ 150,000
Hillside Pool and Riffle project	**17,500**	9,000	-
Salmon Lake	**19,860**	-	-
	$ 131,113	$ 22,000	$ 150,000

7. LONG TERM DEBT

	2006	2005	2004
Mortgage, interest at prime, monthly principal and interest payments of $905.	**$ 135,904**	$ 140,510	$ -
Vehicle loan, 0% interest, monthly payments of $710.	**26,287**	-	-
	162,191	140,510	-
Less: Current portion	**(12,151)**	(5,107)	-
	$ 150,040	$ 135,403	$ -

Security consists of promissory notes, assignment of fire insurance and a chattel mortgage on the vehicle.

7. LONG TERM DEBT (cont'd)

Principal repayment over the next five years is approximately as follows:

2007	12,151
2008	12,350
2009	12,563
2010	4,969
2011	4,495

8. RESERVE FUNDS

	2006	2005	2004
Reserve for emergency infrastructure repairs	**$ 40,896**	$ 30,171	$ 20,008
Reserve for office facility	**3,540**	-	-
Reserve for vehicle replacement	**5,503**	-	-
	$ 49,939	$ 30,171	$ 20,008

9. TRANSPORTATION AND MAINTENANCE

The District has recorded transportation revenue of $13,820 for the year based on mileage for different projects. An equal amount has been allocated to different projects as an expense. The revenue amount is decreased by vehicle expenses such as gasoline, insurance and amortization.

10. CHANGES IN NON-CASH WORKING CAPITAL

	2006	2005	2004
Increase (decrease) in cash from changes in:			
Accounts receivable	**$ 46,959**	$ (59,582)	$ 10,021
Prepaid expense	**(1,893)**	(2,257)	2,347
Accounts payable	**33,220**	(1,095)	(2,710)
Unearned revenue	**109,113**	(128,000)	(155,338)
	$ 187,399	$ (190,934)	$ (145,680)

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005	2004
ADMINISTRATION			
Administrator assistant wages	$ 721	$ -	$ -
Administrator wages and expenses	34,674	22,976	27,507
Audit and legal	1,471	1,325	1,655
Board expenses (100%)	6,427	2,703	-
Board remuneration and expenses	1,909	4,386	4,058
District expansion	1,352	1,315	-
Insurance	2,257	2,453	2,287
Manager expenses	811	1,483	2,442
Manager salary and benefits (portion only)	32,220	14,116	14,708
Office cleaning	2,100	1,620	2,640
Office operation	6,617	5,075	4,856
Printing, postage and stationery	1,434	2,516	2,613
Utilities	3,842	3,983	5,803
	$ 95,835	$ 63,951	$ 68,569
PUBLIC EDUCATION	$ 71,070	$ 49,742	$ 61,503
ASSETS	$ 3,432	$ 16,607	$ 2,181

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005	2004
DISTRICT PROGRAMS			
SOILS			
Grassed runway	$ 809	$ 4,475	$ 7,651
WILDLIFE/FISHERIES			
Wildlife habitat	42,345	30,186	8,695
FORESTRY			
Tree program	497	1,599	988
WATER			
Maintenance	30,334	195,221	132,493
Reconstruction	77,587	8,862	77,851
Tributary drains	465,587	156,134	116,764
Water retention studies	29,003	1,427	3,575
CROSSINGS			
Repairs/replacements	89,718	67,069	175,767
OTHER			
Abandoned wells	8,355	6,198	9,366
Drainage licensing	6,994	4,378	4,950
Emergency damage restoration	31,828	-	-
Spring runoff	-	413	-
Subdivisions/public relations	2,022	3,382	2,428
	$ 785,079	$ 479,344	$ 540,528

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2006

	Revised Budget (Unaudited)	Total Expenditures	External	Provincial	Local	
					Levy	Other
ADMINISTRATION						
Office operation/planning	$ 75,000	$ 95,837	$ -	$ 67,598	$ 22,533	$ 5,706
ASSETS - EQUIPMENT	-	3,432	-	-	3,432	-
PUBLIC EDUCATION	59,000	71,069	4,405	48,738	16,246	1,680
SOILS	2,000	809	-	607	202	-
WILDLIFE/FISHERIES	57,500	42,345	9,000	21,288	7,096	4,961
FORESTRY	500	497	-	373	124	-
WATER						
Maintenance	118,500	30,333	-	22,750	7,583	-
Reconstruction	5,000	77,587	4,730	13,182	15,794	43,881
Oakbank CPR drain	545,340	465,587	214,191	-	-	251,396
Studies/dyking	50,000	29,003	14,425	1,434	478	12,666
	718,840	602,510	233,346	37,366	23,855	307,943
CROSSINGS						
Repairs/replacements	87,000	89,718	-	62,506	20,835	6,377
OTHER						
Drainage licensing	7,000	6,994	-	5,246	1,748	-
Sealing wells	12,000	8,355	-	5,891	1,964	500
Flooding issues	-	31,828	-	23,871	7,957	-
Subdivisions/public relations	3,500	2,022	-	1,516	506	-
Reserve	10,000	19,043	-	-	19,043	-
	32,500	68,242	-	36,524	31,218	500
TOTAL EXPENDITURES	$1,032,340	$ 974,459	$ 246,751	$ 275,000	$ 125,541	$ 327,167
TOTAL EXPENDITURES (%)		100	25	28	13	34

PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY

2005/2006 Grant received	$ 275,000
Less: share of expenditures	(275,000)
Provincial Grant Remaining - overspent	$ -

Appendix C

EAST INTERLAKE CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31 2006

KWB

KNOWLES, WARKENTIN & BRIDGES

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AUDITORS' REPORT

To the Board of Directors of
East Interlake Conservation District

We have audited the statement of financial position of East Interlake Conservation District as at March 31, 2006 and the statements of operations and changes in net assets, for the year then ended. These financial statements are the responsibility of the organizations executive. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Knowles Warkentin & Bridges

May 26, 2006

EAST INTERLAKE CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
March 31, 2006

ASSETS

	2006
Current Assets	
Accounts receivable - GST	$ 1,586
Property, Plant And Equipment - Note 3	7,039
	$ 8,625

LIABILITIES

Current Liabilities	
Bank overdraft - Note 4	$ 3,033
Accounts payable and accrued liabilities	1,800
	4,833

NET ASSETS

Invested in property, plant and equipment	7,039
Unrestricted	(3,247)
	3,792
	$ 8,625

ON BEHALF OF THE BOARD:

..............Director

..............Director

EASTERN INTERLAKE CONSERVATION DISTRICT
STATEMENT OF CHANGES IN NET ASSET
Year ended March 31, 2006

	Invested in Property Plant & Equipment	Unrestricted	2006
Balance, beginning or year	$ -	$ -	$ -
Excess of revenue over expenses	-	3,792	3,792
Net asset transfers	7,039	(7,039)	-
Balance, end of year	$ 7,039	($ 3,247)	$ 3,792

EASTERN INTERLAKE CONSERVATION DISTRICT
STATEMENT OF OPERATIONS
Year ended March 31, 2006

Revenue	
Province of Manitoba grant	$ 75,000
Municipal grants - Note 5	25,000
	100,000
Expenses	
Abandoned well sealing	5,579
Administration	5,097
Advertising	1,767
Amortization	2,849
Board renumerations	12,616
Communications	3,009
EICD open house	1,387
Insurance	828
Interest and bank charges	78
Meals and mileage	5,023
Meetings	7,473
Miscellaneous	331
Office expense	3,700
Professional development and staff training	1,328
Professional fees	1,800
Rent	4,110
RRSP contributions	1,533
Salaries and employee benefits	38,834
	97,342
Income from operations	2,658
Other revenues	
Interest	121
Miscellaneous - Note 6	1,013
	1,134
Excess of revenue over expenses	$ 3,792

EASTERN INTERLAKE CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
Year ended March 31, 2006

From operating activities	
Net income	$ 3,792
Items not affecting cash	
Amortization	2,849
	6,641
Net changes in non-cash working capital items	214
	6,855
From investing activities	
Acquisition of property, plant and equipment	(9,888)
Cash increase (decrease)	(3,033)
Cash, beginning of year	-
Cash (deficiency), end of year	($ 3,033)

Net changes in non-cash working capital items:	
Accounts receivable	($ 1,586)
Accounts payable and accrued liabilities	1,800
	$ 214

EASTERN INTERLAKE CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

1. Nature of The Organization

The East Interlake Conservation District was approved by an Order In Council by the Province of Manitoba on August 24, 2005. It had previously commenced operations in October of 2004.

The District's mandate is to provide soil and water management decisions on resource conservation and environmental awareness for the area in the eastern interlake area of Manitoba. The District is exempt from income taxes.

2. Significant Accounting Policies

These financial statements reflect the following policies:

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Property, Plant and Equipment

Property, plant and equipment are accounted for at cost. Amortization is based on their estimated useful life using the diminishing balance basis and the following annual rates:

Computer equipment - 30% per year
Furniture and fixtures - 20% per year

Revenue Recognition

Provincial grant revenue is recognized as is it received. Municipal grant revenue is recognized as it is invoiced to the various municipalities.

EASTERN INTERLAKE CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

3. Property, Plant And Equipment

	Original Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 8,710	$ 2,613	$ 6,097
Furniture and fixtures	1,178	236	942
	$ 9,888	$ 2,849	$ 7,039

4. Bank Overdraft

The district has a commercial line of credit with interest calculated on the balance in use at Prime plus 2%.

5. Municipal Grants

RM of Armstrong	($11,160)	$8,160	($ 3,000)
RM of Bifrost	(11,160)	8,160	(3,000)
RM of Gimli	(11,160)	8,160	(3,000)
RM of Fisher	(11,160)	8,160	(3,000)
RM of Rockwood	(11,160)	8,160	(3,000)
RM of Rosser	(11,160)	8,160	(3,000)
RM of Arborg	(5,580)	4,080	(1,500)
RM of Stonewall	(5,580)	4,080	(1,500)
RM of Teulon	(5,580)	4,080	(1,500)
RM of Winnipeg Beach	(5,580)	4,080	(1,500)
RM of Dunnottor	(1,860)	1,360	(500)
RM of Riverton	(1,860)	1,360	(500)
			$25,000

6. Miscellaneous Income

Represents opening bank balance on April 1, 2005 as a result of miscellaneous transactions prior to the order in council from the Province of Manitoba. (See Note 1)

EAST INTERLAKE CONSERVATION DISTRICT

SCHEDULE OF COST-SHARING
FOR THE YEAR ENDED MARCH 31, 2006

	Total Expenditures	Provincial	District Levies	District Other	External
DMINISTRATION					
Office Operation	$ 24,697.28	$ 18,522.96	$ 6,174.32	$ -	$ -
Salaries	$ 40,367.83	$ 30,275.87	$ 10,091.96	$ -	$ -
	$ 65,065.11	$ 48,798.83	$ 16,266.28	$ -	$ -
SSETS					
Office Equipment	$ 9,991.15	$ 7,493.36	$ 2,497.79		$ -
	$ 9,991.15	$ 7,493.36	$ 2,497.79	$ -	$ -
UBLIC EDUCATION					
Professional Development	$ 1,327.85	$ 995.89	$ 331.96	$ -	$ -
Public Development	$ 7,246.45	$ 5,434.84	$ 1,811.61	$ -	$ -
MCDA Dues	$ 500.00	$ 375.00	$ 125.00	$ -	$ -
Board Remuneration	$ 12,616.36	$ 9,462.27	$ 3,154.09	$ -	$ -
	$ 21,690.66	$ 16,268.00	$ 5,422.67	$ -	$ -
VILDLIFE/FISHERIES					
Fish Bank	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
OILS					
Forage	$ -	$ -	$ -	$ -	$ -
Bufferstrips	$ -	$ -	$ -	$ -	$ -
Grassed Waterways	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
VATER					
Abandoned Well Sealing	$ 5,579.38	$ 4,184.54	$ 1,394.85	$ -	$ -
Water Quality Monitoring Proposal	$ 19.08	$ 14.31	$ 4.77	$ -	$ -
Integrated Watershed Management Plan	$ 312.19	$ 234.14	$ 78.05		
	$ 5,910.65	$ 4,432.99	$ 1,477.66	$ -	$ -
ROSSINGS					
Repair	$ -	$ -	$ -	$ -	$ -
Replacement	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -
THER					
	$ -	$ -	$ -	$ -	$ -
TOTAL EXPENDITURES	$ 102,657.57	$ 76,993.18	$ 25,664.39	$ -	$ -
		75%	25%	0%	0%

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
FOR YEAR ENDED MARCH 31, 2006

ESS, 2005-2006 Provincial Grant Receivable	$ -
ROVINCIAL GRANT, 2005-2006	$ 75,000.00
	$ 75,000.00
ESS, 2005-2006 Allocated Grant (spent)	$ 76,993.18
ROVINCIAL GRANT REMAINING/OVERSPENT	**$ (1,993.18)**

005 MUNICIPAL LEVY $25,000.00

INTERMOUNTAIN CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2006

INTERMOUNTAIN CONSERVATION DISTRICT

MARCH 31, 2006

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MANAGEMENT'S RESPONSIBILITY

To the Members of the Intermountain Conservation District:

Management has responsibility for preparing the accompanying financial statements and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Board of Directors and the Audit Committee are composed entirely of Directors who are neither management nor employees of the Intermountain Conservation District. The Audit Committee is appointed by the Board to review the financial statements in detail with management and to report to the Board prior to their approval of the financial statements for publication.

An external auditor is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their findings.

____________________ Management

AUDITORS' REPORT

To the Board of Directors of:
Intermountain Conservation District

We have audited the statement of financial position of Intermountain Conservation District as at March 31, 2006 and the statement of changes in net assets, operations, and cash flows for the year then ended. These financial statements are the responsibility of the Intermountain Conservation District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Intermountain Conservation District as at March 31, 2006 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

Zaplitny and Zamrykut,
Chartered Accountants

Dauphin, Manitoba
June 22, 2006

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	2006	2005
ASSETS		
Current		
Cash in Bank	$ 122,647	$ 81,176
Short Term Investments - Note 3	6,171	6,096
Accounts Receivable	10,545	7,629
Provincial Core Funding Receivable		6,014
Grant Receivable	2,500	
Inventory - Note 2	6,753	11,159
Prepaid Expenses	3,816	1,800
	152,432	113,874
Long Term		
Capital Assets - Note 4	117,305	126,763
	$ 269,737	$ 240,637
LIABILITIES & NET ASSETS		
Current		
Accounts Payable and Accrued Liabilities	$ 17,028	$ 2,556
Unearned Revenue	688	150
Deferred Contributions - Note 5	48,730	64,611
Current Portion of Long Term Debt	17,360	16,461
	83,806	83,778
Long Term		
Long Term Debt - Note 6	2,393	19,699
	86,199	103,477
Net Assets	183,538	137,160
	$ 269,737	$ 240,637

Approved on Behalf of the Board

______________________ Chairperson

Marvin ______________________ Director

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF NET ASSETS

AS AT MARCH 31, 2006

	Invested in Capital Assets	Internally Restricted	Unrestricted	Net Assets 2006	Net Assets 2005
Balance, Beginning of Year	$ 90,603	$	$ 46,557	$ 137,160	$ 130,121
Difference between Revenue and Expenditures	(14,432)		60,810	46,378	7,039
Capital Assets Acquired	4,973		(4,973)		
Repayment of Long Term Debt	16,407		(16,407)		
Internally Imposed Restrictions - Note 6		20,000	(20,000)		
Balance, End of Year	$ 97,551	$ 20,000	$ 65,987	$ 183,538	$ 137,160

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2006

		2006		2005
REVENUE				
Province of Manitoba -				
Core Operating	$	213,986	$	214,341
Fish Enhancement Initiative		25,000		
Green Team		3,550		3,944
Career Focus		1,000		
Government of Canada -				
Fisheries and Oceans		5,000		5,170
Natural Resources				23,639
Municipal Levies		94,079		78,942
Municipal Grants				18,750
General Contributions		4,000		320
External Partner Funding		15,310		18,136
Facility Rent		5,357		5,357
Banquet		2,718		2,341
Tours, Meetings, and Workshops		1,645		2,048
Investment Income		876		562
Miscellaneous		2,248		4,219
		374,769		377,769
EXPENDITURES		328,391		361,100
DIFFERENCE BETWEEN REVENUE AND EXPENDITURES FROM OPERATIONS		46,378		16,669
Loss on Disposition of Investment				9,630
DIFFERENCE BETWEEN REVENUE AND EXPENDITURES	$	46,378	$	7,039

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
EXPENDITURES		
Programs and Services -		
Abandoned Wells	$ 2,697	$ 8,913
Creek Rehabilitation		4,166
Crossing and Riparian Works	840	
Forage Seed Program		7,945
Geographical Info System	2,456	
Grassed Waterways	37,464	33,765
Pasture Pipeline	3,881	2,928
Public Relations and Education	22,144	14,100
Stream and Gully Stabilization	8,118	4,908
Trees and Shelterbelts		900
Watershed Management	48,472	61,918
	126,072	139,543
Administration and Operations -		
Accounting and Legal	2,675	1,850
Advertising and Promotion	5,032	7,589
Amortization	14,432	14,779
Bad Debts		476
Bank Charges	216	242
Board Remuneration	27,911	27,164
Insurance	1,441	3,078
Interest on Long Term Debt	1,439	2,729
MCDA Dues and Licensing Fees	3,250	3,050
Office Expense	12,642	12,756
Office Repairs and Maintenance	3,995	1,166
Staff Wages and Benefits	109,827	120,991
Utilities	6,105	8,628
Field Gear	572	1,253
Equipment and Vehicle Maintenance	12,519	13,748
Miscellaneous	263	2,058
	202,319	221,557
	$ 328,391	$ 361,100

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2006

	Total Expenditures	Provincial	Board	External
Administration				
Insurance	$ 1,582.99	$ 1,187.24	$ 395.75	$
Office Operation	28,963.28	20,274.30	8,688.98	
Professional Fees	2,925.00	2,193.75	731.25	
Total Administration	33,471.27	23,655.29	9,815.98	
Public Education				
MCDA Dues	3,000.00	2,250.00	750.00	
Communication and Signage	5,394.69	3,776.28	1,618.41	
Educational Activities	21,162.10	15,871.58	5,290.52	
Public Relations	23,702.58	15,643.70	8,058.88	
Professional Development	11,228.00	7,410.48	3,817.52	
Total Public Education	64,487.37	44,952.04	19,535.33	
Soil Management				
Grassed Waterways	80,328.50	53,016.81	27,311.69	
Water Management				
Watershed Management Plans	101,764.43	44,776.35	22,988.08	34,000.00
Riparian Zone Management	1,680.14	1,260.11	420.03	
Stabilization	16,519.50	11,563.65	4,955.85	
Pasture Pipeline	4,721.46	944.29	3,777.17	
Waterway Management	16,439.52	11,672.06	4,767.46	
Abandoned Wells	6,897.32	4,690.18	2,207.14	
Total Water	148,022.37	74,906.64	39,115.73	34,000.00
Subtotal	$ 326,309.51	$ 196,530.78	$ 95,778.73	$ 34,000.00

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2006

	Total Expenditures	Provincial	Board	External
Subtotal	$ 326,309.51	$ 196,530.78	$ 95,778.73	$ 34,000.00
Assets				
Field & Office Equipment	4,973.36	3,730.02	1,243.34	
Board Expenses				
Bank Charges	216.34		216.34	
Office Repairs and Renovations	3,994.64		3,994.64	
Loan Interest Fees	1,439.21		1,439.21	
Total Board Expenses	5,650.19		5,650.19	
Total	$ 336,933.06	$ 200,260.80	$ 102,672.26	$ 34,000.00

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

Statement of Cash Flows

MARCH 31, 2006

		2006		2005
CASH PROVIDED BY OPERATING ACTIVITIES				
Net Income for the Year	$	46,378	$	7,039
Items not requiring an outlay of cash:				
Amortization		14,432		14,779
Loss on Disposal of Investment				9,630
		60,810		31,448
CHANGES IN NON-CASH WORKING CAPITAL				
Accounts Receivable		(2,916)		2,833
Grant Receivable		(2,500)		
Province of Manitoba Receivable		6,014		(4,341)
Inventory		4,406		3,333
Prepaid Expenses		(2,016)		(1,800)
Accounts Payable and Accrued Liabilities		14,472		15,361
Current Portion of Long Term Debt		899		22,609
Unearned Revenue		538		
Deferred Contributions		(15,881)		
		3,016		37,995
NET CASH PROVIDED BY OPERATING ACTIVITIES		63,826		69,443
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Long Term Debt		(17,306)		(37,886)
CASH FROM INVESTING ACTIVITIES				
Acquisition of Capital Assets		(4,974)		(5,592)
NET INCREASE IN CASH IN BANK		41,546		25,965
NET CASH IN BANK, Beginning of Year		87,272		61,307
NET CASH IN BANK, End of Year	$	128,818	$	87,272
NET CASH IN BANK consists of the following:				
Cash	$	122,647	$	81,176
Short Term Investments		6,171		6,096
	$	128,818	$	87,272

(The accompanying notes are an integral part of these financial statements.)

1. NATURE OF ORGANIZATION

The Intermountain Conservation District (IMCD) was formed on July 15th, 1997 and incorporated under the laws of the Province of Manitoba. The IMCD operates under the authority of the Conservation Districts Act as a not-for-profit organization and its purpose is to provide for the conservation, control, and prudent use of resources throughout its established district. The programs that it undertakes are funded jointly between the Province of Manitoba, participating municipal governments, and individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Inventory

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Building	30 Years Straight Line
Automotive	8 Years Straight Line
Office Furniture	15 Years Straight Line
Office Equipment and Signs	5 Years Straight Line
Field Equipment	10 Years Straight Line

(c) Income Taxes

IMCD is a not-for-profit organization and it is exempt from income taxes under Section 149 of the Income Tax Act.

(d) Revenue Recognition

The IMCD follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

Fees for services are recognized as revenue when the agreed upon services to the participant have been completed, the amount to be received can be reasonably estimated, and collection is reasonably assured.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and , as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(f) Financial Instruments

The organization as part of its operations carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. SHORT TERM INVESTMENTS

The organization has invested funds in a guaranteed investment certificate at an annual rate of 2.00% maturing on April 25, 2006.

4. CAPITAL ASSETS

	Cost	Amortization	Net 2006	Net 2005
Land	$ 5,000	$	$ 5,000	$ 5,000
Building	89,280	18,279	71,001	73,978
Office Furniture	4,859	2,290	2,569	2,892
Office Equipment	34,736	24,690	10,046	7,365
Field Equipment	17,058	7,857	9,201	10,907
Vehicles	68,728	49,240	19,488	26,621
	$ 219,661	$ 102,356	$ 117,305	$ 126,763

5. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted operating funding received in the current period that is related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2006	2005
Beginning Balance, Relating to Operating Funding	$ 64,611	$ 42,153
Less: Amount Recognized as Funding in the Year	(63,111)	(42,153)
Add: Amount Received Relating to the Following Year	47,230	64,611
Ending Balance, Relating to Operating Funding	$ 48,730	$ 64,611

6. LONG TERM DEBT

	2006	2005
Ethelbert Credit Union Limited - Commercial Loan #3	$ 8,212	$ 14,656
Interest Rate: 6.25%		
Terms: Repayable in blended monthly installments of $600 for 52 months.		
Security: Truck		
Original amount of loan was $27,000 which was received February 2004.		
Less: Current Portion	6,882	6,467
	1,330	8,189
Ethelbert Credit Union Limited - Commercial Mortgage #2	11,541	21,504
Interest Rate: 4.75%		
Terms: Repayable in blended monthly installments of $900 for 85 months.		
Security: Land and buildings on SE 36-29-22 W.		
Original amount of mortgage was $60,000 which was received August 2000..		
Less: Current Portion	10,478	9,994
	1,063	11,510
	$ 2,393	$ 19,699

Principal repayments for the next five years are as follows:

2006-07	$17,360
2007-08	2,393
Subsequent Years	nil

7. RESTRICTIONS ON NET ASSETS

In February 2006, the organization's board of directors internally restricted $20,000 of unrestricted net assets to be held for the purposes of completing studies on the Garland and Wilson River watersheds. These studies are to commence in the 2006-07 fiscal year and these internally restricted amounts are not available for any other purposes without approval of the board of directors.

8. LEASE OBLIGATIONS

The organization as part of its operations has entered into an agreement with Xerox Canada to lease a photocopier making payments of $511 per quarter starting December 23, 2005 for the next sixty six months.

9. FAIR VALUE DISCLOSURE

The carrying amount of accounts receivable, short-term investments, accounts payable and accrued liabilities approximates their fair value do to the short-term maturities of these items.

The fair value of the organization's fixed rate long term debt is also, approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

10. ECONOMIC DEPENDENCE

The organization's chief source of income is derived from government grants and its ability to continue viable operations is dependent upon the maintenance of these grants.

KELSEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2006

Prepared by the accounting firm of:
M. FAYE KOBELKA
Certified General Accountant

KELSEY CONSERVATION DISTRICT

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M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2006 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2006 and the results of its operations and the changes in it's net assets for the year then ended in accordance with Canadian Generally Accepted Accounting Procedures.

M. Faye Kobelka
Certified General Accountant

June 1, 2006
The Pas, MB

KELSEY CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
Audited
For the Year Ended March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 1,005	$ 4,188
Accounts Receivable (note 3)	24,700	5,640
Prepaid expenditures	450	757
Inventories	114	114
	26,269	10,699
PROPERTY, PLANT & EQUIPMENT (Note 5)	35,573	45,471
	$ 61,842	$ 56,170
LIABILITIES & FUND BALANCES		
CURRENT LIABILITIES		
Bank Indebtedness	$ 23,259	$ -
Accounts Payable and Accrued Expenses (note 4)	5,125	12,229
	28,384	12,229
RESTRICTED FUNDS	3,049	2,814
INVESTMENT IN CAPITAL ASSETS	35,573	45,471
GENERAL OPERATING FUND	(5,164)	(4,344)
	$ 61,842	$ 56,170

Approved on behalf of the Board

K Joyal

Chairperson, Board of Directors

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT
STATEMENT OF OPERATIONS
Audited
For the Year Ended March 31, 2006

	2006	2005
REVENUES		
Grant Contributions	$ 199,000	$ 186,667
Other	-	2,260
	199,000	188,927
GENERAL & ADMINISTRATIVE EXPENDITURES		
Amortization	12,737	13,967
Automotive - administrative share	482	-
Office	1,664	4,116
Project Expenditure (Appendix B)	184,890	176,757
Rent	5,400	5,250
Utilities	5,477	4,639
Wages & Benefits (administration)	1,193	1,272
	211,843	206,001
Excess / (Deficiency) of Revenues over Expenditures	$ (12,843)	$ (17,074)

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
Audited
For the Year Ended March 31, 2006

	2006				2005
	Investment in Capital Assets	Wanless Historical Cabin Trust	General Operating Fund	Total Funds	Total Funds
Balance, Beginning of Year	$ 45,471	$ 2,814	$ (4,344)	$ 43,941	$ 60,935
Capital Transactions:					
Property, Plant & Equipment Addition	2,839		(2,839)	-	-
Amortization	(12,737)		12,737	-	-
Allocation of Restricted Funds from cash		235		235	-
Prior Period Adjustments (Note 6)			2,125	2,125	80
Excess / (Deficiency) of Revenue over Expenditures			(12,843)	(12,843)	(17,074)
Balance, End of Year	$ 35,573	$ 3,049	$ (5,164)	$ 33,458	$ 43,941

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund, restricted fund, and capital funds are used.

Project reporting / Administrative expenditure reporting Policy

As part of the conditions of the provincial funding, the organization must report it's expenditure in a project driven manner and as such, the policy regard the terms of the provincial funding was revised in May 2003.

3. ACCOUNTS RECEIVABLE

	2006	2005
Program Receivables	$ 15,865	$ 247
GST Refund / Source Ded. Credit	8,835	5,393
	$ 24,700	$ 5,640

4. ACCOUNTS PAYABLE (NET)

	2006	2005
Audit Accrual	$ 2,052	$ 1,389
Program Payables	3,073	10,840
	$ 5,125	$ 12,229

5. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are recorded at cost. Amortization is recorded using the following method and Rates as follows with 1/2 of the normal rate being used in the year of acquisition.

Equipment	20%	declining balance
Computer Hardware	30%	declining balance
Computer Software	20%	straight-line
Vehicle	30%	declining balance

	Cost	Accumulated Amortization	Net Book Value 2006	Net Book Value 2005
Equipment	$ 48,169	$ 24,471	$ 23,698	$ 28,645
Computer Hardware	14,783	9,631	5,152	5,311
Computer Software	16,610	16,236	374	2,446
Vehicle	29,342	22,993	6,349	9,069
	$ 108,904	$ 73,331	$ 35,573	$ 45,471

6. PRIOR PERIOD ADJUSTMENT

The Prior Period Adjustment in 2006 consists of a reversal of a 2000 payable to Linnett Watershed of $1000, a vehicle usage transaction of $944, and two misc stale dated cheques. The PPA is deemed to be immaterial in nature. The PPA in 2005 of $80 is immaterial in nature.

7. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

8. COMPLETION & AUTHORIZATION

Date of Substantial Completion:	June 1, 2006
Date of Authorization & Issue	June 12, 2006
Authorized by:	Chairperson, Board of Directors

M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
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AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2006 and my report June 1, 2006 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 1, 2006
The Pas, MB

KELSEY CONSERVATION DISTRICT
APPENDIX A - SCHEDULE OF COST SHARING
Audited
For the Year Ended March 31, 2006

	Total Expenditures	External	Provincial	Local
Administration (Note 2)	$ 14,216	$ -	$ 10,267	$ 3,949
Assets	12,737		9,199	3,538
Programs	89,404		64,571	24,833
Public Education	95,486	-	68,963	26,523
Total Expenditure	$ 211,843	$ -	$ 153,000	$ 58,843
Provincial Grants Received			153,000	
Less: Provincial Share of Expenditure			153,000	
Provincial Excess			$ -	

KELSEY CONSERVATION DISTRICT
APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE
Audited

For the Year Ended March 31, 2006

	2006	2005
PUBLIC EDUCATION		
Automotive	$ -	$ 4,080
Board Renumeration - Honorarium & Meetings (meetings 2006)	16,667	9,600
Expansion	702	1,788
Farm Family	694	71
Management Plan	23,500	16,369
MCDA Convention	10,150	14,031
Meetings & Travel (meetings 2005)	7,064	7,445
Newsletter / Advertising	8,467	8,410
Office & Supplies	3,846	274
Partner / Project Signage	661	830
Professional Development	8,664	11,413
Public Education / Relations	6,646	16,860
School Program	3,265	7,361
Summer Tour	5,160	7,768
	95,486	106,300
RECREATION		
Automotive	-	56
Cranberry Dock	35	27
Grace Lake Trail	1,915	423
Heritage Building	35	-
Office & Supplies	59	274
Wanless Community Grounds	139	27
Wanless Dock	23	3,051
	2,206	3,858
SOILS		
Automotive	-	615
Burdock Control	5,235	3,822
Composting	2,119	3,133
Forage Program	2,825	5,130
Heavy Harrow Program	492	295
Native Grass Planting	1,065	304
Office & Supplies	913	274
Rotational Winter Feeding	4,190	1,527
Rotational Grazing	1,007	1,846
Soil Sampling	2,546	1,209
Swath Grazing	9,379	14,522
Tree Planting	3,653	3,664
Zero Till	672	182
	34,096	36,523

KELSEY CONSERVATION DISTRICT
APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE
Audited
For the Year Ended March 31, 2006

	2006	2005
WATER		
Abandoned Wells	9,454	12,002
Automotive	-	671
Chemical Storage	1,402	58
Drainage	35	942
Exclusion Fencing	5,038	1,864
Livestock Watering	7,890	586
Manure Composting	977	1,260
Manure Management	8,260	3,814
Office & Supplies	1,224	274
Pature Pipeline	2,622	646
Riparian Rehab	1,784	197
Well Disinfection	1,768	320
Water Protection	2,874	309
Well Quality Testing	2,409	636
	45,737	23,579
WILDLIFE		
Artificial Nesting Structures	3,246	4,105
Automotive	-	168
Beaver Baffler Program	376	444
Cranberry Breakwater	362	121
Cranberry Creel	332	61
Cranberry Trail	796	975
Fish Stocking	1,687	68
Fishway Study	332	253
Office & Supplies	199	275
Rocky Lake Study	35	27
	7,365	6,497
TOTAL PROJECT EXPENDITURE	$ 184,890	$ 176,757

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2006

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
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AUDITORS' REPORT

To the Board of Directors:
Lake of the Prairies Conservation District
Inglis, Manitoba

We have audited the balance sheet of **Lake of the Prairies Conservation District** as at **March 31, 2006** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Russell, Manitoba
May 9, 2006

PARTNERSHIP OF
CHARTERED ACCOUNTANTS

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BALANCE SHEET
As at March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 531	$ 16,285
Accounts receivable (Note 2)	167	56
GST receivable	1,220	2,689
Provincial grant receivable (Schedule 2)	6,599	3,569
	8,517	22,599
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	93,521	60,171
PATRONAGE DIVIDENDS	404	330
	$ 102,442	$ 83,100
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$ 4,754	$
Accounts payable (Note 5)	1,382	6,573
Deferred revenue	10	10
	6,146	6,583
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 3)	93,521	60,171
SURPLUS	2,775	16,346
	96,296	76,517
	$ 102,442	$ 83,100

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
Province of Manitoba grant	$ 139,030	$ 129,606
Municipal grants (Note 9)	45,571	45,572
External funding	14,916	27,054
Miscellaneous income	304	305
Interest	775	1,000
New member start up fees		3,000
	200,596	206,537
EXPENDITURES		
Administration	21,050	21,544
Fisheries programs		6,358
Forestry	675	7,632
Geographical information system		1,947
Management	45,736	
Miscellaneous	8,203	7,462
Public education	48,444	69,798
Soil programs	10,104	24,578
Water programs	27,743	32,429
Wildlife programs	18,862	7,084
	180,817	178,832
REVENUE OVER EXPENDITURES	19,779	27,705
OTHER ITEM		
Investment in property, plant and equipment	(33,350)	(14,658)
NET INCOME (LOSS) FOR YEAR	(13,571)	13,047
SURPLUS, BEGINNING OF YEAR	16,346	3,299
SURPLUS, END OF YEAR	$ 2,775	$ 16,346

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

For the year ended March 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 13,546	$ 30,937
Cash paid to suppliers and employees	(186,006)	(173,926)
Interest received	775	1,000
Grants received	184,601	178,178
	12,916	36,189
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(33,350)	(14,658)
Change in other long-term assets	(74)	(35)
	(33,424)	(14,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness	4,754	
Repayment of bank indebtedness		(3,511)
Repayment of long-term debt		(1,701)
	4,754	(5,212)
NET INCREASE (DECREASE) IN CASH	(15,754)	16,284
CASH, BEGINNING OF YEAR	16,285	1
CASH, END OF YEAR	$ 531	$ 16,285

1. ENTITY DEFINITION

The Lake of the Prairies Conservation District No. 12 was formed January 1, 2001 to administer and develop programs for the effective management and conservation of the natural resources in the Rural Municipalities of Shellmouth-Boulton, Silver Creek, Park North, and Russell, the Town of Russell and Village of Binscarth. Each member municipality appoints local representatives to create a district board. Approximately 75% of the district's annual budget comes from the province while member municipalities contribute 25% of the total in amounts based on their own assessments. The conservation district employs a full-time district manager and a full-time administrator as well as part-time work crews.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and includes the following significant accounting policies:

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Property, plant and equipment

Property, plant, and equipment are recorded at cost, and are expensed in the year of acquisition or disposal.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 9,407			$ 9,407
Computer equipment	7,994			7,994
Machinery	22,970	3,350		26,320
Truck	19,800			19,800
Land and buildings		30,000		30,000
	60,171	33,350		93,521
BOOK VALUE	$ 60,171			$ 93,521

4. BANK INDEBTEDNESS

	2006	2005
Bank overdraft	$ 4,754	$

There is no authorized line of credit. The overdraft has resulted from recorded outstanding cheques which were covered by deposits made subsequent to the year end.

5. ACCOUNTS PAYABLE

	2006	2005
Accrued auditing fees	$ 1,380	$ 1,380
Vacation payable		2,754
Overtime wages payable		1,154
Trade	2	1,285
	$ 1,382	$ 6,573

6. DEMAND LOANS

	2006	2005
Interest expense applicable to term loans	$	$ 21

7. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

8. ECONOMIC DEPENDENCE

Lake of the Prairies Conservation District receives at least 60% of its operating revenue from the Provincial Government and is economically dependent on it.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

9. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2006	2005
R.M. of Shellmouth-Boulton	$ 12,377	$ 12,377
R.M. of Silver Creek	7,399	7,399
R.M. of Russell	7,037	7,037
Town of Russell	2,868	2,868
Village of Binscarth	251	251
RM of Shell River	10,693	10,693
RM of Park North	1,705	1,705
Town of Roblin	3,241	3,242
	$ 45,571	$ 45,572

10. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, bank indebtedness, and accounts payable. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturity.

Credit risk management

The District is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The District does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

SCHEDULE 1 - SCHEDULE OF COST SHARING

For the year ended March 31, 2006

	Cost Share %	Total Expenditures	Provincial	Levies	District	
					Other	External
ADMINISTRATION						
Office operation	75/25/00	21,050	15,788	5,262		
		21,050	**15,788**	**5,262**	**0**	**0**
ASSETS						
Trailer	75/25/00	3,350	2,512	838		
Land and building purchase	51/17/32	30,000	15,375	5,125		9,500
		33,350	**17,887**	**5,963**	**0**	**9,500**
PUBLIC EDUCATION						
Public education	75/25/00	15,538	11,653	3,885		
Utilities 50%	75/25/00	599	449	150		
Conservation booklet	75/25/00	993	745	248		
Glossy brochure	75/25/00	75	56	19		
Advertising	75/25/00	2,937	2,203	734		
Newsletter	75/25/00	52	39	13		
Professional development	75/25/00	2,000	1,500	500		
Boundary signs	75/25/00	4,027	3,020	1,007		
Display - promo. items	75/25/00	722	542	180		
LPCD & MCDA annual tour	75/25/00	1,248	936	312		
Summer student	52/17/32	7,694	4,020	1,340		2,334
Meetings/conventions/banquets	63/21/16	12,559	7,930	2,643	1,986	
		48,444	**33,093**	**11,031**	**1,986**	**2,334**
MANAGEMENT PLANNING						
Monthly board meetings	75/25/00	18,171	13,628	4,543		
District management plan	75/25/00	12,608	9,456	3,152		
5-year plan	75/25/00	5,835	4,376	1,459		
Integrated watershed plan	75/25/00	9,122	6,842	2,280		
		45,736	**34,302**	**11,434**	**0**	**0**
SOILS						
Forage reimbursement	75/25/00	3,592	2,694	898		
Winter cereals	75/25/00	4,797	3,598	1,199		
Clover cover program	75/25/00	459	344	115		
Streambank stabilization	75/25/00	744	558	186		
Grassed waterways	75/25/00	512	384	128		
		10,104	**7,578**	**2,526**	**0**	**0**
WATER						
Thunder Creek Watershed plan	75/25/00	483	362	121		
Roblin Wetlands water testing	75/25/00	1,422	1,066	356		
Inglis Weir project	75/25/00	908	681	227		
Abandoned wells	75/25/00	6,109	4,582	1,527		
Alternate watering & fencing	59/20/21	1,170	692	230		248
Riparian management	75/25/00	4,263	3,197	1,066		
Cottage owners stewardship	75/25/00	641	481	160		
Riparian club stewardship	75/25/00	643	482	161		
Offsite watering system	06/02/98	2,164	121	43	2,000	
Pasture pipeline works	75/25/00	59	44	15		
Wetlands classroom/eco-camp	47/16/37	2,419	1,139	380	900	
Summer conservation tech.	52/17/31	7,462	3,846	1,282		2,334
		27,743	**16,693**	**5,568**	**2,900**	**2,582**
BALANCE TO CARRY FORWARD		**186,427**	**125,341**	**41,784**	**4,886**	**14,416**

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF COST SHARING
For the year ended March 31, 2006

	Cost Share %	Total Expenditures	Provincial	Levies	District Other	External
BALANCE CARRIED FORWARD		186,427	125,341	41,784	4,886	14,416
WILDLIFE						
Wildlife habitat creation	75/25/00	970	727	243		
Marsh boardwalk/model	37/12/51	15,748	5,811	1,937		8,000
Waterfowl enhancement	75/25/00	2,144	1,608	536		
		18,862	**8,146**	**2,716**	**0**	**8,000**
FORESTRY						
Environmental planting program	75/25/00	415	311	104		
Reforestation program	75/25/00	260	195	65		
		675	**506**	**169**	**0**	**0**
MISCELLANEOUS						
Professional dev. overspent	20/06/74	2,024	402	134	1,488	
Lawyer fees	75/25/00	1,217	913	304		
Security fees	75/25/00	742	557	185		
Holidays taken	75/25/00	3,887	2,915	972		
Sick time	75/25/00	333	250	83		
		8,203	**5,037**	**1,678**	**1,488**	**0**
TOTAL EXPENDITURES		**214,167**	**139,030**	**46,347**	**6,374**	**22,416**

(Unaudited)

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
For the year ended March 31, 2006

	2006	2005
PROVINCIAL GRANT RECEIVABLE, beginning of the year	**$ 3,569**	$ 8,963
Add: Provincial allocation	**139,030**	129,606
Less: Provincial grant	**136,000**	135,000
PROVINCIAL GRANT RECEIVABLE, end of the year	**$ 6,599**	$ 3,569

(Unaudited)

LA SALLE REDBOINE CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2006

LA SALLE REDBOINE CONSERVATION DISTRICT

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AUDITORS' REPORT

To the Board of Directors:
La Salle Redboine Conservation District
Holland, Manitoba

We have audited the statement of financial position of **La Salle Redboine Conservation District** as at **March 31, 2006** and the statement of operations for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Russell, Manitoba
May 10, 2006

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PARTNERSHIP OF
CHARTERED ACCOUNTANTS

LA SALLE REDBOINE CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
For the year ended March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 103	$ 94
Short term investments (Note 2)	24,330	24,000
Accounts receivable (Note 2)	35,466	5,732
Provincial grant receivable (Schedule 3)	23,190	24,269
Inventories (Note 2)	4,767	4,888
Prepaid expenses	2,461	2,899
	90,317	61,882
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	206,544	236,041
	$ 296,861	$ 297,923
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$ 1,174	$ 14,778
Accounts payable	4,055	3,394
Deferred revenue	38,839	
	44,068	18,172
DEFERRED CONTRIBUTIONS (Note 9)	166,487	191,465
	210,555	209,637
FUND BALANCES		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 10)	40,056	44,576
UNRESTRICTED FUND	46,250	43,710
	86,306	88,286
	$ 296,861	$ 297,923

LA SALLE REDBOINE CONSERVATION DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2006

	Investment in Property, Plant and Equipment	Unrestricted	2006 Total	2005 Total
NET ASSETS, beginning of year	$ 44,576	$ 43,710	$ 88,286	$ 174,332
PRIOR YEAR ADJUSTMENT (Note 11)				(98,157)
NET ASSETS, beginning of year (restated)	44,576	43,710	88,286	76,175
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES, for the year	(6,268)	4,288	(1,980)	12,111
NET ASSET TRANSFERS (Note 12)	1,748	(1,748)		
NET ASSETS, end of year	$ 40,056	$ 46,250	$ 86,306	$ 88,286

LA SALLE REDBOINE CONSERVATION DISTRICT

STATEMENT OF OPERATIONS

For the year ended March 31, 2006

	2006	2005
REVENUE		
Province of Manitoba grant	$ 218,677	$ 184,152
Municipal grants (Note 7)	76,803	76,800
Other grants - Province of Manitoba FEI	22,500	
- Shell environmental funding	2,500	
- Hometown Green Team Youth Funding	2,284	2,292
- Fisheries & Oceans Canada	1,500	
- MB Recreational Trail Association	1,500	
- Ducks Unlimited	500	
- SCI funding	191	3,843
- PFRA environmental fund		3,000
Amortization of deferred contributions	30,222	22,566
Project revenue	15,707	7,498
Donation	1,694	1,455
Other revenue	768	968
Interest	718	301
Rebate - Municipal trading company	260	625
Human Resources Development Canada		2,940
	375,824	306,440
EXPENSES, per schedule 1	377,804	294,329
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	$ (1,980)	$ 12,111

LA SALLE REDBOINE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

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1. ENTITY DEFINITION

The La Salle Redboine Conservation District was formed January 30, 2002 by an Order - in - Council of the Province of Manitoba to administer and develop programs for the effective management and conservation of the natural resources. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a Board of Director's from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and includes the following significant accounting policies:

Short term investments

The short term investments represent a GIC investment with an interest rate of 2.5%. This investment will mature on June 30, 2006.

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Contributed property, plant, and equipment are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount. Amortization is based on the estimated useful life of the asset and is calculated using the straight line basis at the following annual rates.

Buildings	5%
Field equipment	10%
Computer equipment	20%
Office equipment	10%
Automotive equipment	15%

Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funding received in advance of making the related expenditures is deferred.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed materials and services

Volunteers contribute numerous hours and materials during the period to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair market value, contributed services and materials (other than the land and building) are not recognized in the financial statements.

Defined contribution pension plan

The Organization's pension plan is administered by Manitoba Municipal Employee Benefits Program. All expenses consist of the contributions required under the plan.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Land	$ 2,300			$ 2,300
Buildings	116,077	2		116,079
Field equipment	26,774	6,991		33,765
Computer equipment	96,739			96,739
Office equipment	5,509			5,509
Automotive equipment	51,740			51,740
	299,139	6,993		306,132
ACCUMULATED AMORTIZATION				
Buildings	7,399	5,803		13,202
Field equipment	5,911	3,027		8,938
Computer equipment	25,471	19,348		44,819
Office equipment	1,034	551		1,585
Automotive equipment	23,283	7,761		31,044
	63,098	36,490		99,588
BOOK VALUE	$ 236,041			$ 206,544

4. BANK INDEBTEDNESS

	2006	2005
Bank overdraft	$ 1,174	$ 14,778

The Conservation District does not have an authorized line of credit. This overdraft balance has resulted from the timing of outstanding cheques and deposits.

LA SALLE REDBOINE CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

5. STATEMENT OF CASH FLOWS

A Statement of Cash Flows has not been provided as it would not provide any further information to the users of the financial statements.

6. ECONOMIC DEPENDENCE

La Salle Redboine Conservation District receives at least 58% of its operating revenue from the Provincial Government and is economically dependent on it.

7. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2006	2005
RM of Cartier	$ 7,833	$ 7,440
RM of Dufferin	8,515	8,400
RM of Grey	6,684	6,720
RM of Macdonald	16,333	15,600
RM of Portage la Prairie	17,728	15,600
RM of Ritchot	1,376	1,200
RM of South Norfolk	3,992	4,320
RM of Victoria	3,069	3,120
City of Portage la Prairie	9,003	12,000
Town of Carman	1,815	1,920
Village of St. Claude	181	240
Town of Treherne	274	240
	$ 76,803	$ 76,800

8. FINANCIAL INSTRUMENTS

Credit risk management

The District is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The District does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

9. DEFERRED CONTRIBUTIONS

In 2003, the land and building presently occupied by the Organization were donated by the Rurual Municipality of Victoria. The fair market value of the land and building was $2,300 and $28,900 respectively. Since the building is a capital asset on which amortization is being recorded, the fair market value has been recorded as a deferred contribution, and the recognition of the value of this donation will occur annually as amortization is recorded on the building over its estimated useful life.

In 2004, the Organization purchased specialized equipment, of which $40,246 was funded by the Manitoba Water Services Board. Since this equipment is a capital asset of which amortization is being recorded, the amount funded has been recorded as a deferred contribution, and the recognition of the value of this donation will occur annually as amortization is recorded on the equipment over its estimated useful life.

The Province of Manitoba funds 75% of the purchase of property, plant, and equipment (not including external funding). In 2006, $5,244 was recoverable from the Province for property, plant, and equipment additions. This Provincial funding has also been reflected in the deferred contribution amount.

The change in the deferred contributions balance for the year is as follows:

	2006	2005
Balance, beginning of year	$ 191,465	$ 140,261
Add: Amount received in the year	5,244	73,770
Less: Amortization charged to revenue in the year	(30,222)	(22,566)
Balance, end of year	$ 166,487	$ 191,465

10. NET ASSETS INVESTED IN PROPERTY, PLANT AND EQUIPMENT

As at March 31, 2006, the La Salle Redboine Conservation District has $46,324 invested in property, plant and equipment as follows:

	2006	2005
Balance, beginning of year	**$ 44,576**	$ 152,711
Prior period adjustment (Note 11)		(114,251)
Amortization of defered contributions related to property, plant, and equipment	**30,222**	22,566
Amortization of property, plant, and equipment	**(36,490)**	(27,624)
Interfund transfers (Note 12)	**1,748**	11,174
Balance, end of year	**$ 40,056**	$ 44,576

11. PRIOR PERIOD ADJUSTMENT

In 2005, a net prior period adjustment of ($114,251) in the investment in property, plant and equipment and $16,093 in the unrestricted fund had been made to correct an understatement of the Provincial Government receivable, an understatement of deferred contributions, and an understatement of accounts receivable relating to the receipt of funds from the Prairie Farm Rehabilitation Administration.

12. NET ASSET TRANSFERS

During the year, funds were transferred from unrestricted net assets to net assets invested in property, plant, and equipment in the amount of $1,748 (2004 - $11,174) in order to fund the cash outlays for net property, plant, and equipment acquisitions of $6,992 (2004 - $84,944) less amounts received as funding for purchases of property, plant, and equipment of $5,244 (2004 - $73,770).

LA SALLE REDBOINE CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF EXPENSES
For the year ended March 31, 2006

	2006	2005
Advertising and promotion	1,043	5,089
Amortization	36,490	27,624
Bank charges and interest	409	273
Insurance	4,422	2,582
Memberships dues and subscriptions	932	459
Miscellaneous		25
Office and supplies	3,907	6,239
Pension expense		3,232
Professional fees	3,193	2,383
Project expenses - abandoned well sealing	16,285	9,820
- constructed wetland	109	589
- drainage mowing	24,547	31,761
- grassed runway	3,460	558
- gully erosion	18,475	143
- municipal erosion control	16,215	3,975
- pasture pipeline plow	4,800	2,503
- public education	31,972	19,064
- riparian fencing	62	1,182
- rotational grazing	2,947	1,565
- salinity seed	626	1,243
- sediment barrier	4,498	
- sensitive soils	71	1,250
- shelterbelt program	1,880	
- streambank rehabilitation	5,069	148
- watershed planning	76,288	39,877
- water retention	19,003	29,044
- wildlife	3,309	
Project supplies	46	1,799
Property taxes	1,594	1,579
Rent		183
Repairs and maintenance	1,504	1,654
Salaries and benefits	32,954	92,913
Telephone	3,985	3,181
Utilities	2,177	2,284
Water management - Boyne River Riparian Assessment	1,433	27
- La Salle River Riparian Assessment	33,011	27
- La Salle River Tree Clean up	1,820	27
- water testing	5,693	27
Wetland development trails	13,575	
	377,804	294,329

LA SALLE REDBOINE CONSERVATION DISTRICT
SCHEDULE 2 - SCHEDULE OF COST SHARING
For the year ended March 31, 2006

	Total Expenditures	Provincial	Levies	District	
				Other	External
ADMINISTRATION					
General	$51,065	$36,627	$12,209	$1,621	$608
100% District	316		-384	700	
	51,381	**36,627**	**11,825**	**2,321**	**608**
ASSETS					
Office / Field Equipment	3,826	2,870	956		
Works Shop	3,819	2,704	901	214	
Reserve Account					
	7,645	**5,574**	**1,857**	**214**	**0**
PUBLIC EDUCATION					
General	25,037	15,328	5,109	100	4,500
MCDA	14,124	10,594	3,530		
Tours / Workshops	2,123	1,592	531		
	41,284	**27,514**	**9,170**	**100**	**4,500**
WATERSHED PLANNING					
General	44,092	33,069	11,023		
Meeting Costs	1,599	1,087	362	150	
GIS Mapping	1,037	740	247	50	
Vehicle Expense	18,145	13,609	4,536		
Drain Licencing / Watershed Mgmt Plans	8,368	6,128	2,043	197	
	73,241	**54,633**	**18,211**	**397**	**0**
SOILS					
Erosion Control	46,404	29,188	9,729	6,347	1,142
Shelterbelt / Buffer / Grazing	4,648	3,486	1,162		
Salinity Seed / Sensitive Soils	697	523	174		
	51,749	**33,195**	**11,065**	**6,347**	**1,142**
WILDLIFE / FISHERIES					
Project Support / Planning					
Wildlife Programs / Conservation Corridors	3,306	2,481	827		
	3,306	**2,481**	**827**	**0**	**0**
WATER					
Wells / Water Retention	35,314	23,900	7,967	2,876	571
Pasture / Livestock Managament	5,124	643	214	4,267	
Water Testing / Water Demo	12,903	7,587	2,529	2,216	571
Drainage Mowing	24,547	18,410	6,137		
La Salle River Riparian Study	32,529	6,397	2,132		24,000
La Salle River Tree Clean-up	1,338	1,003	335		
Boyne River Riparian Study	951	713	238		
	112,706	**58,653**	**19,552**	**9,359**	**25,142**
OTHER					
Amortization	36,490			36,490	
	36,490	**0**	**0**	**36,490**	**0**
SUBTOTAL	**377,804**	**218,677**	**72,507**	**55,228**	**31,392**
OTHER					
Property, Plant, and Equipment	6,992	5,244	1,748		
	6,992	**5,244**	**1,748**		
TOTAL EXPENDITURES	**$384,796**	**$223,921**	**$74,255**	**$55,228**	**$31,392**

(Unaudited)

LA SALLE REDBOINE CONSERVATION DISTRICT
SCHEDULE 3 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
For the year ended March 31, 2006

	2006	2005
Grant - Province of Manitoba	**$ 225,000**	$ 200,000
Less: Prior year receivable	**24,269**	6,593
GRANT RECEIVED	**200,731**	193,407
Less: Provincial allocation	**223,921**	217,676
RECEIVABLE - PROVINCE OF MANITOBA	**$ 23,190**	$ 24,269

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2006

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
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AUDITORS' REPORT

To the Board of Directors:
Little Saskatchewan River Conservation District
Oak River, Manitoba

We have audited the balance sheet of **Little Saskatchewan River Conservation District** as at **March 31, 2006** and the statements of revenues and deficit and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Cost Sharing presented by the District.

Sensus
PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
May 11, 2006

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

BALANCE SHEET

As at March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 26,988	$ 101
Accounts receivable (Note 2)	23,279	2,931
Provincial grant receivable (Note 10)	128	34,489
GST receivable	3,772	4,834
Inventories (Note 2)	9,666	7,262
Prepaid expenses	2,567	2,013
	66,400	51,630
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	63,750	63,750
	$ 130,150	$ 115,380
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$ 34,824	$ 56,952
Accounts payable (Note 5)	6,032	1,578
Unearned revenue (Note 2)	36,484	24,471
	77,340	83,001
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	63,750	63,750
DEFICIT	(10,940)	(31,371)
	52,810	32,379
	$ 130,150	$ 115,380

APPROVED ON BEHALF OF THE Board

Roy Greer ____________ Director

____________ Director

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT OF REVENUES AND DEFICIT

For the year ended March 31, 2006

	2006	2005
REVENUE		
Grants		
Province of Manitoba	$ 135,639	$ 189,647
External funding	16,904	11,617
Ducks Unlimited	12,080	29,999
Federal government grants		4,000
Municipal levies (Note 7)	56,596	56,706
Land owner contributions	50,190	22,826
ALUS project	18,499	
Miscellaneous	1,710	3,283
Interest	143	114
	291,761	318,192
EXPENSES, per Schedule 1	271,330	317,898
NET INCOME FOR YEAR	20,431	294
DEFICIT, BEGINNING OF YEAR	(31,371)	(31,665)
DEFICIT, END OF YEAR	$ (10,940)	$ (31,371)

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 97,486	$ 10,749
Cash paid to suppliers and employees	(268,161)	(322,131)
Interest received	143	114
Grants received	221,219	291,969
Interest paid	(1,672)	(1,389)
	49,015	(20,688)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(4,861)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness		20,688
Repayment of bank indebtedness	(22,128)	
Change in property, plant and equipment		4,861
	(22,128)	25,549
NET INCREASE IN CASH	26,887	
CASH, BEGINNING OF YEAR	101	101
CASH, END OF YEAR	$ 26,988	$ 101

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

1. ENTITY DEFINITION

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Unearned revenue

Unearned revenue is the portion of fees received prior to year end which relates to programs and services to be delivered after year end.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Automotive	$ 25,900			$ 25,900
Computer	34,580			34,580
Laser level	13,136			13,136
Office equipment	7,642			7,642
Pipeline plow	6,194			6,194
Seed drill	22,550			22,550
Utility trailer	3,323			3,323
Water pumps	604			604
	113,929			113,929
ACCUMULATED AMORTIZATION				
Automotive	15,540			15,540
Computer	24,824			24,824
Office equipment	1,146			1,146
Seed drill	8,669			8,669
	50,179			50,179
NET BOOK VALUE	$ 63,750			$ 63,750

4. BANK INDEBTEDNESS

	2006	2005
Bank overdraft	$ 34,824	$ 56,952

Bank indebtedness is secured by a General Security Agreement. There is an authorized $50,000 line of credit with an interest rate at prime plus 1%. The prime rate of interest on March 31, 2006 was 5.5% (2005 - 4.25%).

5. ACCOUNTS PAYABLE

	2006	2005
Accrued accounting	$ 1,710	$ 1,250
Trade	4,322	328
	$ 6,032	$ 1,578

6. ECONOMIC DEPENDENCE

Little Saskatchewan River Conservation District receives at least 40% of its operating revenue from the Province of Manitoba and is economically dependent on it.

7. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2006	2005
Rural Municipality of Blanshard	$ 7,823	$ 7,819
Rural Municipality of Clanwilliam	3,118	3,152
Rural Municipality of Daly	7,620	7,612
Rural Municipality of Harrison	5,708	5,718
Rural Municipality of Minto	3,744	3,742
Rural Municipality of Odanah	1,575	1,577
Rural Municipality of Park	7,153	7,232
Rural Municipality of Rosedale	34	34
Rural Municipality of Saskatchewan	7,408	7,405
Rural Municipality of Strathclair	6,500	6,497
Town of Erickson	344	343
Town of Minnedosa	4,024	4,035
Town of Rivers	1,359	1,359
Town of Rapid City	186	181
	$ 56,596	$ 56,706

8. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

9. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, provincial grant receivable, bank indebtedness, accounts payable, and unearned revenue. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturity.

Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

10. PROVINCIAL GRANT RECEIVABLE/PAYABLE

	2006	2005
Grant - Province of Manitoba	$ 170,000	$ 170,000
Less: Prior year receivable	34,489	14,841
GRANT RECEIVED	135,511	155,159
Less: Provincial allocation	135,639	189,648
RECEIVABLE - PROVINCE OF MANITOBA	$ 128	$ 34,489

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF EXPENSES
For the year ended March 31, 2006

	2006	2005
Accounting	$ 1,693	$ 1,250
Advertising	4,418	466
Board remuneration	21,533	23,684
Computer software		732
Heat, light and power	2,060	1,893
Insurance	2,013	2,097
Interest and bank charges	1,672	1,389
MCDA dues	3,000	3,000
Miscellaneous	232	395
Newsletters		1,055
Office	4,832	9,154
Public education	10,287	13,055
Rent	2,400	2,400
Repairs and maintenance	3,574	7,293
Salaries	124,126	117,223
Sawmill incentive		1,557
Shelterbelts and salinity program	225	
Small dams	318	1,321
Soil programs	4,043	2,547
Sub-district programs (Schedule 2)	65,313	94,103
Telephone	5,563	5,803
Training	1,517	2,546
Travel	703	131
Vehicle expense	1,301	1,293
Water programs	10,470	21,206
Well capping	37	2,305
	$ 271,330	$ 317,898

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF EXPENDITURE- SUB-DISTRICT PROGRAMS

For the year ended March 31, 2006

	2006	2005
UPPER OAK RIVER SUB-DISTRICT #72A		
Beaver management	$ 280	$
Forage		3,210
Pasture improvements	2,500	47
Riparian partnership		20
Well capping	718	1,239
	3,498	4,516

	2006	2005
LOWER OAK RIVER SUB-DISTRICT #72B		
Beaver management	$	$
Forage	3,075	6,000
Pasture improvements	1,000	4,009
Pasture plow	450	
Small dams		11,440
Well capping	750	1,373
Warranty fund	18,944	
	24,219	22,822

	2006	2005
UPPER CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #81A		
Beaver management	$ 1,125	$
Forage	1,410	10,065
Pasture plow	1,116	
Small dams		8,219
Well capping	427	450
Warranty fund		1,137
Woodlots	3,194	
	7,272	19,871

	2006	2005
LOWER CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #81B		
Beaver management	$	$
Forage	2,790	1,650
Pasture improvements	1,000	1,500
Pasture plow	1,905	
Riparian partnership		10,187
Runway stabilization	11,524	
Small dams		1,878
Soil		53
Well capping	619	2,850
	17,838	18,118

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF EXPENDITURE- SUB-DISTRICT PROGRAMS

For the year ended March 31, 2006

	2006	2005
UPPER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #82A		
Beaver management	$ 280	$
Forage	2,460	9,525
Pasture improvements		41
Pasture plow	980	
Small dams		976
Soil		26
Well capping	883	502
	4,603	11,070
LOWER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #82B		
Beaver management	$	$
Forage	3,600	1,395
Pasture improvements	1,500	3,372
Pasture plow	1,320	
Riparian partnership	633	984
Small dams		8,131
Soil		460
Well capping	830	3,051
Warranty fund		313
	7,883	17,706
	$ 65,313	$ 94,103

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 3 - SCHEDULE OF COST SHARING

For the year ended March 31, 2006

		Total Expenditures	Provincial	District	Other	External
ADMINISTRATION						
Office operation		21,003	15,751	4,720	532	
	Sub Total	**21,003**	**15,751**	**4,720**	**532**	
ASSETS						
Equipment						
	Sub Total	**0**	**0**	**0**	**0**	**0**
PUBLIC EDUCATION						
Educational programs		14,238	8,952	2,984		2,302
Tours & workshops		2,575	1,931	644		
Advertising		13,353	7,302	2,434		3,617
Communications		18,962	14,222	1,489	3,251	
MCDA		13,528	10,015	3,338	175	
	Sub Total	**62,656**	**42,422**	**10,889**	**3,426**	**5,919**
SOILS						
Hay assistance		23,628	8,811	2,937		11,880
Pasture improvement		14,776	10,568	3,523		685
Saline seed		1,463	1,097	366		
Drill lease		4,951	3,713	635	603	
Alternate land use strategy		20,941	379		18,499	2,063
Environmental farm plans		1,519	1,140	379		
Soil survey program		1,856				1,856
	Sub Total	**69,134**	**25,708**	**7,840**	**19,102**	**16,484**
WILDLIFE/FISHERIES						
Reparian partnership		5,678	3,525	559	616	978
Beaver management		9,745	1,261	420	4,050	4,014
	Sub Total	**15,423**	**4,786**	**979**	**4,666**	**4,992**
FORESTRY						
Woodlots for healthy watersheds		8,901	4,280	1,426		3,195
Shelterbelts		4,353	2,996	999	244	114
	Sub Total	**13,254**	**7,276**	**2,425**	**244**	**3,309**
WATER						
District resource plan		713	535	178		
Small dams		8,443	6,332	2,106	5	
Abandoned wells		10,476	7,857	1,519	1,100	
Runway stabilization		17,732	5,135		12,597	
Surveying		2,260	1,695	565		
Mini watershed		5,675	4,060	1,353	262	
Offsite watering system		6,252	4,576	1,526	150	
Pasture pipeline		12,281	4,956		6,982	343
Water quality testing		7,435	3,405		4,030	
Warranty		18,593	1,145		17,448	
	Sub Total	**89,860**	**39,696**	**7,247**	**42,574**	**343**
TOTAL EXPENDITURES		**271,330**	**135,639**	**34,100**	**70,544**	**31,047**

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15

FINANCIAL STATEMENTS

For the year ended March 31, 2006

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15

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AUDITORS' REPORT

To the Board of Directors:
Mid Assiniboine River Conservation District No.15
Alexander, Manitoba

We have audited the statement of financial position of **Mid Assiniboine River Conservation District No.15** as at **March 31, 2006** and the statements of revenue, expenditure and surplus (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Grant Contributions presented by the District.

Sensus
PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
June 5, 2006

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15

STATEMENT OF FINANCIAL POSITION

As at March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 88	$ 926
Accounts receivable (Note 2)	2,725	12,666
Provincial grant receivable (Schedule 3)	455	
Inventories (Note 2 and 3)	1,046	
Prepaid expenses	1,248	2,275
	5,562	15,867
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 4)	20,200	18,136
	$ 25,762	$ 34,003
LIABILITIES		
CURRENT		
Bank indebtedness (Note 5)	$ 6,459	$ 1,915
Accounts payable	32	
Provincial grant payable (Schedule 3)		8,416
Deferred revenue		2,647
Deposits payable		1,097
	6,491	14,075
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 7)	20,200	18,136
SURPLUS (DEFICIT)	(929)	1,792
	19,271	19,928
	$ 25,762	$ 34,003

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15
STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS (DEFICIT)
For the year ended March 31, 2006

	2006	2005
REVENUE		
Grant - Province of Manitoba	$ 118,871	$ 90,937
Fisheries Enhancement Grant		37,353
Municipal grants (Note 8)	34,875	34,875
Zero till drill revenue		12,254
Sustainable Development Innovations Fund		7,849
Manitoba Water Services Board		5,000
Covering New Ground		4,000
Brandon University	2,500	
Hometown Greenteam	2,270	
SDIF Fund	2,000	
TD Friends of the Environment		1,000
Miscellaneous Income	180	1,749
	160,696	195,017
EXPENDITURES		
Advertising	1,351	3,522
Board expenses	3,359	
Board programs	12,422	39,397
Board remuneration	9,570	10,733
Computer softwares	2,553	2,441
Contribution to capital	2,064	4,541
Employee benefits	10,414	9,299
Equipment expenses	5,711	16,899
Freight	140	64
Insurance	2,338	1,845
Interest and bank charges	6	19
Meeting and conventions	4,365	4,594
Office	4,936	4,074
Professional fees	2,361	1,545
Rent	1,257	1,200
Salaries and benefits	64,532	56,532
School education and projects	3,153	5,052
Staff travel and expenses	4,945	5,277
Sub-district programs - Schedule 1	25,433	20,446
Telephone	2,507	2,388
	163,417	189,868
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR YEAR	(2,721)	5,149
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,792	(14,004)
	(929)	(8,855)
Prior period adjustment (Note 13)		(10,647)
SURPLUS (DEFICIT), END OF YEAR	$ (929)	$ 1,792

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15

STATEMENT OF CASH FLOWS

For the year ended March 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 5,373	$ 18,287
Cash paid to suppliers and employees	(162,431)	(187,704)
Grants received	153,746	175,419
Interest paid	(6)	(19)
	(3,318)	5,983
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,063)	(4,541)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness	4,543	
Repayment of bank indebtedness		(549)
	4,543	(549)
NET INCREASE (DECREASE) IN CASH	(838)	893
CASH, BEGINNING OF YEAR	926	33
CASH, END OF YEAR	$ 88	$ 926

MID ASSINIBOINE RIVER CONSERVATION DISTRICT NO.15
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

1. ENTITY DEFINITION

The Mid Assiniboine River Conservation District No.15 was established in January 2002 and formalized in March 1, 2002 under the Conservation District Act. The purpose of establishing Mid Assiniboine River Conservation District was to provide control and prudent use of resources in the Municipalities of Whitehead, Elton, and Cornwallis. The district is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be the more significant policies:

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Inventories

Inventory is valued at the lower of cost and net realizable value determined on the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment as is appropriate for conservation districts in the Province of Manitoba.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. INVENTORIES

	2006	2005
Project supplies	**$ 1,046**	$

4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office furniture	$ 5,650			$ 5,650
Computer equipment	6,476	2,064		8,540
Equipment	16,649			16,649
	28,775	2,064		30,839
ACCUMULATED AMORTIZATION				
Office furniture	4,857			4,857
Computer equipment	1,112			1,112
Equipment	4,670			4,670
	10,639			10,639
NET BOOK VALUE	$ 18,136			$ 20,200

5. BANK INDEBTEDNESS

	2006	2005
Line of credit	$ **6,459**	$ 1,915

The organization has an authorized line of credit with the Westoba Credit Union of $25,000. The line bears interest at a rate of prime plus 1%. The prime rate of interest at March 31, 2006 was 5.5%.

6. ECONOMIC DEPENDENCE

Mid Assiniboine River Conservation District receives at least 70% of its operating revenue from the Province of Manitoba and is economically dependent on it.

7. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the statement of financial position with an offsetting entry to the Investment in Property, Plant and Equipment account.

	2006	2005
BALANCE, BEGINNING OF YEAR	$ 18,136	$ 17,445
Add: Property, plant and equipment purchases	2,064	4,540
Less: Amortization		(3,849)
BALANCE, END OF YEAR	20,200	18,136

8. MUNICIPAL GRANTS

Grants received from local governments involved in the conservation district are the following:

	2006	2005
R.M. of Whitehead	$ 10,935	$ 10,935
R.M. of Elton	12,470	12,470
R.M. of Cornwallis	11,470	11,470
	$ 34,875	$ 34,875

9. REGISTERED CHARITY

Mid Assiniboine River Conservation District is a registered charity able to issue charitable donation receipts. There is no change to the GST method of reporting and the rebate allowed still falls under municipal government at 100%.

10. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of accounts receivable, provincial grant receivable, bank indebtedness, accounts payable, provincial grant payable, deferred revenue, and deposits payable. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturity.

Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart.

11. COMMITMENTS

The District entered into a four year operating lease on a 2003 John Deere Zero Till Drill at a commitment of $5,628 every October and April 1.

Future minimum payments are:

2007	$	11,256

12. CHANGE IN ACCOUNTING POLICY

For the 2006 year end, the board has made an unanimous decision to adopt a policy to no longer amortize the property, plant, and equipment. This change has been chosen to be applied prospectively. The net effect to the 2006 financial statements is a decrease in expenses of $5,180 and an overall decrease in deficiency of revenue over expenditures.

13. PRIOR PERIOD ADJUSTMENT

During the year, the organization decided to establish a provincial grant receivable or payable when the province's allocation exceeds or is less than its share of expenditures. This more accurately reflects the use of allocations received from the province and provides a better matching of the revenues received to their related expenditures. As a result, a prior period adjustment was made to increase the provincial grant payable to $8,416, decrease the grant - province of Manitoba to $90,937 and decrease the opening deficit to $3,357.

14. PRIOR YEAR'S FIGURES

Certain of the prior year's figures have been restated to conform to current year's presentation.

The prior year's figures were audited by another public accounting firm on June 27, 2005.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE 1 - SCHEDULE OF EXPENDITURE - SUB-DISTRICT PROGRAMS

For the year ended March 31, 2006

	2006	2005
LITTLE SOURIS SUB-DISTRICT 98A		
Forage seed	$ 1,870	$
Water development	8,000	2,453
Abandoned wells	700	2,275
Salinity seed	190	
Winter cereal program	500	1,000
Rotational grazing	1,000	
	12,260	5,728
LITTLE SOURIS SUB-DISTRICT 98B		
Water development	$ 1,000	$ 2,910
Abandoned wells	1,050	3,308
Rotational grazing	500	
Salinity seed	948	1,296
Winter cereal program	2,000	2,000
Mixed species grazing	1,125	1,125
	6,623	10,639
EPNETTE / WILLOW CREEK SUB-DISTRICT 99A		
Forage seed	$ 300	$
Water development		2,000
Abandoned wells	1,750	1,255
Salinity seed		324
Winter cereal program	3,500	500
Green manure program	1,000	
	6,550	4,079
	$ 25,433	$ 20,446

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF COST SHARING

For the year ended March 31, 2006

		Total Expenditures	Provincial	Levies	Other	External
ADMINISTRATION						
Program support / planning		10,649	7,986	2,663		
Office operation		11,281	8,461	2,820		
	Sub Total	**21,930**	**16,447**	**5,483**	**0**	**0**
ASSETS						
Computer equipment		2,064	1,548	516		
Program support / planning		7,097	5,323	1,774		
Computer		2,553	1,915	638		
Equipment - seed drill lease		6,043	4,420	1,473	150	
Miscellaneous		1,873	1,405	468		
	Sub Total	**19,630**	**14,611**	**4,869**	**150**	**0**
FORESTRY						
Project support / planning		5,727	4,295	1,432		
	Sub Total	**5,727**	**4,295**	**1,432**	**0**	**0**
PUBLIC EDUCATION						
Project support / planning		9,393	7,045	2,348		
Advertising & promotions		1,351	1,013	338		
Miscellaneous		7,688	5,766	1,922		
Public demo		4,831	3,623	1,208		
	Sub Total	**23,263**	**17,447**	**5,816**	**0**	**0**
SOILS						
Project support / planning		16,580	12,435	4,145		
Forage & winter cereal		10,170	5,925	1,975	2,270	
Rotational & mixed grazing		2,625	1,969	656		
Salino seed program		1,137	853	284		
	Sub Total	**30,512**	**21,182**	**7,060**	**2,270**	**0**
WILDLIFE / FISHERIES						
Project support / planning		3,253	2,440	813		
	Sub Total	**3,253**	**2,440**	**813**	**0**	**0**
WATER						
Project support / planning		16,580	12,435	4,145		
Water testing & abandoned well		3,500	2,625	875		
Water supply & off-site program		8,000	6,000	2,000		
IWMP 98		7,848	5,886	1,962		
IWMP 99		4,468	1,476	492		2,500
	Sub Total	**40,396**	**28,422**	**9,474**	**0**	**2,500**
OTHER PROJECT SUPPORT						
Project support planning		5,670	4,253	1,417		
Board remuneration		12,929	9,697	3,232		
Geometic services		107	80	27		
	Sub Total	**18,706**	**14,030**	**4,676**	**0**	**0**
TOTAL EXPENDITURES		**163,417**	**118,871**	**39,623**	**2,420**	**2,500**

(unaudited)

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE 3 - SCHEDULE OF PROVINCIAL GRANT CONTRIBUTIONS

For the year ended March 31, 2006

		2006	2005
Provincial grant receivable (payable), beginning of the year		**$ (8,416)**	$ 10,647
Add:	Provincial grant received	**118,871**	90,937
Less:	Grant allocation	**110,000**	110,000
Provincial grant receivable (payable), end of the year		**$ 455**	$ (8,416)

PEMBINA VALLEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2006

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12 Schedule of Expenditures

13 Schedule of Cost Sharing

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AUDITOR'S REPORT

TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT

I have audited the statements of financial position of Pembina Valley Conservation District as at March 31, 2006 and the statements of changes in surplus, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Note 1a) describes the District's accounting policy with respect to capital assets. The note indicates that the District is expensing capital assets in the year of purchase. In this respect the financial statements are not in accordance with Canadian generally accepted accounting principles which require that capital assets be included on the statement of financial position and be amortized over their estimated useful life.

Management has elected to include the purchase of a vehicle in the financial statements even though the vehicle was not owned by the District as of March 31, 2006 and was not delivered until late May 2006. The effect of this departure from Canadian generally accepted accounting principles is to overstate prepaid expenses by $20,554, overstate accounts receivable by $2,016, overstate accounts payable by $32,847 and overstate capital equipment expenditures by $10,277.

In my opinion, except for the effects of the failure to capitalize and amortize capital assets and the failure to exclude the vehicle purchase as described in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2006 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim Smith
CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 31, 2006

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2006

ASSETS

	2006	2005
CURRENT		
Cash	$ 177,906	$ 157,692
Cash - Tri-Lakes Group	6,332	3,300
Accounts receivable	29,382	42,109
Prepaid expenses	31,588	7,363
Inventory	32,253	29,498
	277,461	239,962
CAPITAL (notes 2a and 3)	150,501	150,501
	$ 427,962	$ 390,463

APPROVED BY

Director

Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2006

LIABILITIES

	2006	2005
CURRENT		
Accounts payable and accrued	$ 52,668	$ 22,785
Unearned revenue (note 4)	70,129	70,273
	122,797	93,058
STRATEGIC INFRASTRUCTURE RESERVE FUND	20,000	15,000
	142,797	108,058

SURPLUS

	2006	2005
SURPLUS (page 5)	285,165	282,405
	$ 427,962	$ 390,463

Credit facilities (note 8)

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION - DONATION FUND

MARCH 31, 2006

ASSETS

	2006	2005
CURRENT		
Cash and investment	**$ 5,285**	$ 4,875

SURPLUS

SURPLUS (note 6)	**$ 5,285**	$ 4,875

APPROVED BY

______________________ Director

______________________ Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
Surplus, beginning of year	**$ 282,405**	$ 362,900
Excess of revenue over expenditures	**2,760**	18,537
Write-off unfunded deficit	**-**	(99,032)
SURPLUS, END OF YEAR (note 5)	**$ 285,165**	$ 282,405

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Provincial grants		
Water Stewardship	**$ 390,000**	$ 370,000
Municipal levies		
Rural Municipality of Lorne	**26,856**	26,847
Rural Municipality of Louise	**20,069**	20,066
Rural Municipality of Pembina	**25,312**	25,298
Rural Municipality of Roblin	**7,366**	7,363
Rural Municipality of Stanley	**38,550**	38,205
Rural Municipality of Thompson	**14,171**	14,161
Town levies		
Town of Manitou	**693**	694
Town of Pilot Mound	**461**	459
Village of Cartwright	**99**	100
Village of Crystal City	**382**	381
Other funding - external	**29,316**	43,378
- local	**27,375**	17,033
GIS partnership	**1,140**	-
Rural water development program - PFRA	**-**	5,185
Watershed Restoration Action Strategy - water testing	**1,202**	5,500
Other income	**17,206**	24,140
Interest income	**5,655**	4,847
Other (note 9)	**19,000**	24,729
	624,853	628,386
EXPENDITURES (page 12)	**622,093**	609,849
EXCESS OF REVENUE OVER EXPENDITURES	**$ 2,760**	$ 18,537

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 2,760	$ 18,537
Changes in non-cash working capital (note 7)	15,486	7,855
Cash flows from (used in) operating activities	18,246	26,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in receivable for reserve fund	-	10,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer to reserve fund (non-cash expenditure)	5,000	5,000
NET INCREASE IN CASH	23,246	41,392
Cash at beginning of year	160,992	119,600
CASH AT END OF YEAR	$ 184,238	$ 160,992
REPRESENTED BY:		
Cash	$ 177,906	$ 157,692
Cash - Tri-Lakes Group	6,332	3,300
	$ 184,238	$ 160,992

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2006

1. PURPOSE OF THE ORGANIZATION

The Pembina Valley Conservation District was incorporated under the laws of the Province of Manitoba in October, 1989. It was established primarily for the purpose of providing programs and education for the conservation of soil and water. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors chosen from the various municipalities included in the area it serves.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization is no longer being provided for in the District's records.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

d) **Financial instruments**

Credit risk
The organization is exposed to credit risk on its accounts receivable.

Fair value
The carrying values of financial assets and financial liabilities are considered to approximate fair value unless otherwise disclosed.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CAPITAL ASSETS

	2006		2005	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 53,532**	**$ -**	$ 53,532	$ -
Building	**45,853**	**5,964**	45,853	5,964
Field equipment	**84,663**	**61,281**	84,663	61,281
Office furniture and equipment	**36,031**	**22,322**	36,031	22,322
Surveying equipment	**3,658**	**2,712**	3,658	2,712
Vehicles	**36,052**	**17,009**	36,052	17,009
	259,789	**109,288**	259,789	109,288
Cost less accumulated amortization		**$ 150,501**		$ 150,501

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2006

4. UNEARNED REVENUE

		2006		2005
Fisheries Enhancement funds		**5,661**		5,661
Rural Municipality of Lorne levy		**13,696**		13,428
Rural Municipality of Louise levy		**9,082**		10,035
Rural Municipality of Pembina levy		**12,338**		12,656
Rural Municipality of Roblin levy		**3,418**		3,683
Rural Municipality of Stanley levy		**21,042**		19,275
Town of Manitou levy		**545**		693
Town of Pilot Mound levy		**202**		461
Tri-Lakes Group		**3,900**		3,900
Village of Cartwright levy		**77**		99
Village of Crystal City levy		**168**		382
	$	**70,129**	$	70,273

5. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets minus liabilities and reserve. This money, which totalled $134,664 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

6. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

		2006		2005
Interest earned	**$**	**498**	$	190
Expenditures - trophies and scholarship		**(88)**		(584)
Increase (decrease) for the year	**$**	**410**	$	(394)

7. CHANGES IN NON-CASH WORKING CAPITAL

	2006	2005
Increase (decrease) in cash from changes in:		
Accounts receivable	$ 12,727	$ 29,508
Prepaid expenses	(24,225)	(23)
Inventory	(2,755)	(3,571)
Accounts payable and accrued	29,883	(12,448)
Unearned revenue	(144)	(5,611)
	$ 15,486	$ 7,855

8. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

9. OTHER REVENUE

	2006	2005
Agri-Food Canada	$ -	$ 10,691
Manitoba Agriculture - Covering new ground	9,500	12,260
Manitoba Conservation - Enviro Youth Corporation	-	1,778
Manitoba Conservation Special Conservation Fund	500	-
Science & Technology Program	9,000	-
	$ 19,000	$ 24,729

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
OPERATING		
Audit and legal	$ 1,471	$ 1,275
Ducks Unlimited program	777	11,060
Insurance	1,784	2,868
Interest and bank charges	52	50
Inventory adjustment	1,239	4,577
Office	16,543	19,045
PFRA programs	17,477	8,735
Public education	53,969	75,119
Repairs, maintenance and fuel	28,348	27,323
Soils miscellaneous	19,908	12,446
Soil projects	7,178	23,081
Telephone	2,483	2,436
Wages and benefits	148,436	65,895
Water management/planning	-	11,153
Water projects	279,206	303,506
Wildlife projects	23,737	23,132
	602,608	591,701
CAPITAL		
Equipment	4,208	13,148
Vehicle	10,277	-
	14,485	13,148
Transfer to Strategic Infrastructure Reserve Fund	5,000	5,000
	$ 622,093	$ 609,849

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2006

	Total Expenditures	Provincial	District		External
			Levies	Other	
WATERSHED PLANNING	12,417	8,411	2,804	-	1,202
ADMINISTRATION					
Program support & planning	$ 28,000	$ 21,000	$ 7,000	$ -	$ -
Office operation	22,568	11,676	3,892	7,000	-
100% board interest revenue	52	-	(5,603)	5,655	-
	50,620	32,676	5,289	12,655	-
PUBLIC EDUCATION	36,177	23,588	7,863	2,911	1,815
SOILS MISCELLANEOUS	28,033	17,874	5,959	-	4,200
WILDLIFE/FISHERIES	30,161	8,333	2,778	-	19,050
WATER					
Multi-purpose projects	371,267	241,241	80,414	26,304	23,308
Well filling	23,977	13,483	4,494	6,000	-
Water management	48,724	36,328	12,109	-	287
	443,968	291,052	97,017	32,304	23,595
TOTAL	601,376	381,934	121,710	47,870	49,862
OTHER					
Inventory	3,994	432	144	-	3,418
Equipment/building repairs	14,485	10,864	3,621	-	-
Transfer to S.I.R.F.	5,000	3,750	1,250	-	-
	23,479	15,046	5,015	-	3,418
TOTAL EXPENDITURES	$ 624,855	$ 396,980	$ 126,725	$ 47,870	$ 53,280
TOTAL EXPENDITURES (%)	100	64	20	8	8

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
FOR THE YEAR ENDED MARCH 31, 2006

LESS: 2004-2005 Provincial Grant Receivable	$ (621)
PROVINCIAL GRANT 2005-2006	390,000
	389,379
LESS: 2005-2006 Allocated Grant (spent)	(396,980)
PROVINCIAL GRANT REMAINING/OVERSPENT	$ (7,601)

2006 MUNICIPAL LEVY - $133,959

Appendix K

MEYERS NORRIS PENNY LLP

Seine-Rat River Conservation District

Financial Statements

March 31, 2006

www.mnp.ca

To the Directors of Seine-Rat River Conservation District:

We have audited the statement of financial position of Seine-Rat River Conservation District as at March 31, 2006 and the statements of Operationsand related schedulesfor the year then ended March 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2006 and the results of its operationsfor the year then ended in accordance with Canadian generally accepted accounting principles for local government enterprises.

Meyers Norris Penny LLP

Chartered Accountants

Winnipeg, Manitoba

June 16, 2006

Seine-Rat River Conservation District

Statement of Financial Position

As at March 31, 2006

	2006	*2005*
Assets		
Current		
Cash	**12,468**	41,449
Accounts receivable	**10,414**	9,541
Provincial Grant Receivable	**4,688**	7,952
	27,570	58,942
Capital Assets *(Note 3)*	**71,125**	54,003
	98,695	112,945
Liabilities		
Current		
Accounts payable and accruals	**1,078**	8,186
Deferred revenue	**-**	32,910
Current portion of long-term debt	**7,219**	6,867
	8,297	47,963
Long-Term Debt *(Note 4)*	**11,844**	18,937
	20,141	66,900
Net Assets		
Surplus	**78,554**	46,045
	98,695	112,945

Approved on behalf of the Board

Director **Director**

The accompanying notes are an integral part of these financial statements

Seine-Rat River Conservation District

Statement of Operations

For the year ended March 31, 2006

	2006	*2005*
Revenue		
Grant Revenue		
Province of Manitoba	**196,736**	140,541
Career Start Program	**1,008**	238
Levies		
Rural Municipality of LaBroquerie	**28,300**	28,300
Rural Municipality of Hanover	**22,000**	-
Rural Municipality of Ste Anne	**20,000**	20,000
City of Steinbach	**10,000**	10,000
Other Government Program	**23,300**	26,666
Donations	**7,000**	-
Land Owners	**34,000**	-
Miscellaneous	**4,928**	1,406
	347,272	227,151
Program Costs *(Schedule 1)*	**264,294**	204,811
General and Administrative expenses *(Schedule 2)*	**50,469**	47,472
Excess (Deficiency) Revenues Over Expenses	**32,509**	(25,132)
Surplus, beginning of year	**46,045**	71,177
Surplus, end of year	**78,554**	46,045

The accompanying notes are an integral part of these financial statements

1. Operations

Seine-Rat River Conservation District (the"District") was incorporated under the laws of the Province of Manitoba. The District was establishd primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and the Municipalities of LaBroquerie, Ste Anne, Hanover and the City of Steinbach and is governed by a board of directors from the municipalities and City involved in the Conservation District. The District is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Capital Assets

Capital assets are initially recorded at cost. Amortization is provided using the straight-line method at a 10% rate intended to amortize the cost of assets over their estimated useful lives.

Revenue recognition

The Company recognizes revenue and profits from long-term fixed price contracts on the completed contract basis, and accordingly revenue and profit are recognized only when the contract is substantially completed. Anticipated losses are provided for when the estimate of total costs on a contract indicates a loss.

3. Capital Assets

	Cost	*Accumulated amortization*	*2006 Net book value*	*2005 Net book value*
Land	21,440	-	21,440	-
Truck	33,337	10,002	23,335	26,669
Computer equipment	18,777	5,283	13,494	15,021
Office equipment	17,506	4,650	12,856	12,313
	91,060	19,935	71,125	54,003
	91,060	19,935	71,125	54,003

4. Long-Term Debt

	2006	*2005*
Term loan bearing interest at 6.250 payable in monthly instalments of $ 667.	**19,063**	25,804
	19,063	25,804
Less: current portion	**7,219**	6,867
	11,844	18,937

Principal repayments on long-term debt in each of the next two years are as follows:

2007	7,219
2008	4,625

5. Statement of Cash Flows

The Statement of Cash Flows has not been presented as the information is readily available from The Statement of Financial Position and Statement of Operations.

6. Financial instruments

Fair value disclosure

The carrying amount of accounts receivable, accounts payable and current bank loans approximates their fair value due to the short term maturities of these items.

Seine-Rat River Conservation District

Schedule 1 - Schedule of Program Costs

For the year ended March 31, 2006

	2006	*2005*
Program Costs		
Advertising	**9,987**	8,108
Board Remuneration Expenses	**32,009**	9,900
Brushing and Shelterbelt	**487**	1,507
Drainage	**68,158**	61,005
Education	**5,924**	11,851
Grass Waterways	**4,556**	2,481
Management Plans	**4,257**	2,626
Miscellaneous	**1,448**	1,670
Pasture Management	**3,124**	8,489
Reparian Program	**3,206**	9,140
Salaries, wages and benefits	**22,561**	44,464
Staff Development	**5,574**	5,571
Water Management	**8,185**	37,999
Water, Storage and Retention	**64,793**	-
Wildlife and Fisheries	**30,025**	-
	264,294	204,811

Seine-Rat River Conservation District

Schedule 2 - Schedule of General and Administrative expenses

For the year ended March 31, 2006

	2006	*2005*
General and Administrative expenses		
Amortization	**6,576**	6,739
Bank Charges and Loan Interest	**1,635**	1,817
Insurance	**1,933**	1,156
Membership	**3,000**	3,000
Office	**3,784**	3,119
Professional fees	**1,900**	1,076
Rent	**3,084**	-
Salaries, wages and benefits	**26,504**	27,892
Telephone	**2,053**	2,673
	50,469	47,472

Seine-Rat River Conservation District

Schedule 3 - Schedule of Cost Sharing

For the year ended March 31, 2006

	Total Expenditures	*Provincial*	*District*	*External*	*Other*
Administration	40,893	27,255	10,338	-	3,300
Public Education	65,115	41,803	13,902	6,500	2,910
Soils	8,167	6,125	2,042	-	-
Wildlife	30,025	6,769	2,256	3,000	18,000
Water	163,964	97,024	32,342	31,500	3,098
	308,164	178,976	60,880	41,000	27,308
Assets					
Land	21,440	16,080	5,360	-	-
Office furniture	2,240	1,680	560	-	-
	23,680	17,760	5,920	-	-
	331,844	196,736	66,800	41,000	27,308

Seine-Rat River Conservation District

Schedule 4 – Schedule of Provincial Grant Receivable

For the year ended March 31, 2006

Provincial Grant, 2005 - 2006	**200,000**
Less: Grant receivable	**7,952**
	192,048
	196,736
Less: 2005 – 2006 Allocated Grant – Schedule 3	
Provincial Grant Receivable	**4,688**

Tiger Hills Conservation District

Auditors' Report and Financial Statements

March 31, 2006

Collins Barrow
Chartered Accountants

Collins Barrow
Chartered Accountants

401 Century Plaza
One Wesley Avenue
Winnipeg, Manitoba
R3C 4C6

T. 204.942.0221
F. 204.944.8371
email: collinsbarrow@wpgcb.co

Auditors' Report

To the Members
Tiger Hills Conservation District

We have audited the balance sheet of Tiger Hills Conservation District as at March 31, 2006 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow
CHARTERED ACCOUNTANTS

Winnipeg, Canada
June 9, 2006

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Tiger Hills Conservation District

Financial Statements
March 31, 2006

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Tiger Hills Conservation District

Balance Sheet

March 31, 2006

	2006	2005
Assets		
Current assets		
Cash and short term investments	$ 24,000	$ 26,558
Accounts receivable (note 3)	2,818	5,471
Prepaid expenses	1,239	
	$ 28,057	$ 32,029
Liabilities		
Current liabilities		
Accounts payable and accrued charges	$ 669	$ 2,285
Deferred revenue (notes 4 and 5)	15,882	18,349
	16,551	20,634
Surplus		
Surplus	11,506	11,395
	$ 28,057	$ 32,029

Approved By the Board:

______________, Director ______________, Director

Tiger Hills Conservation District

Statement of Revenue and Expenditures and Surplus

For The Year Ended March 31, 2006

	2006	2005
Revenue		
Municipal levies		
Rural Municipality of Argyle	$ 10,702	$ 10,702
Rural Municipality of Glenwood	9,531	9,531
Rural Municipality of South Cypress	7,042	7,042
Rural Municipality of Strathcona	6,001	5,821
Village of Glenboro	743	743
	34,019	33,839
Provincial grant - Schedule 3. (note 5)	104,126	98,978
Other provincial grants	4,403	3,064
Sales of services	3,454	9,694
Healthy Waters Project	8,341	10,771
PFRA		12,000
Manitoba Water Services Board		5,000
Covering New Ground	6,464	10,500
Partner and landowner contributions	5,968	5,807
Miscellaneous	539	209
Interest income	802	788
	168,116	190,650
Expenditures		
Program management - Schedule 1.	11,467	15,923
Public education	15,889	10,259
District programs - Schedule 2.	125,022	151,612
Healthy Waters Project	8,341	10,771
Watershed planning	7,286	—
	168,005	188,565
Excess of revenue over expenditures	111	2,085
Surplus, beginning of the year	11,395	9,310
Surplus, end of the year	$ 11,506	$ 11,395

Tiger Hills Conservation District

Statement of Cash Flows
For The Year Ended March 31, 2006

	2006	2005
Cash Provided By (Used For)		
Operating activities		
Excess of revenue over expenditures	**$ 111**	$ 2,085
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	**2,653**	9,254
(Increase) in prepaid expenses	**(1,239)**	
Increase (decrease) in accounts payable	**(1,616)**	(124)
Increase in deferred revenue	**(2,467)**	13,979
(Decrease) increase in cash and short term investments	**(2,558)**	25,194
Cash and short term investments, beginning of the year	**26,558**	1,364
Cash and short term investments, end of the year	**$ 24,000**	$ 26,558

1. Nature of Activities

The Conservation District operates under the authority of The Conservation Districts Act and Regulations.

The mandate of the Conservation District is to promote the sustainable use and management of the land, water and related resources in the municipalities of Argyle, Glenwood, South Cypress and Strathcona and the Village of Glenboro.

2. Significant Accounting Policies

Inventories

Inventories of materials and supplies are not recorded. Such items are expensed in the year purchased.

Income Taxes

Tiger Hills Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

Property, Plant and Equipment

It is the District's policy to expense property, plant and equipment in the year of purchase.

Revenue Recognition

The Conservation District uses the accrual method to recognize revenue.

3. Accounts Receivable

	2006	2005
Municipal levy	$ 1,500	$
Goods and services tax	1,271	
Sale of services	47	5,471
	$ 2,818	$ 5,471

Tiger Hills Conservation District
Notes to the Financial Statements
March 31, 2006

4. Deferred Revenue

	2006	2005
Province of Manitoba - grant	$ 6,494	$ 620
Healthy Waters Project	9,388	17,729
	$ 15,882	$ 18,349

5. Correction of Error

A calculation error was made in the calculation of the provincial grant for the year ended March 31, 2005. External funding, which is deducted from total expenditures in the calculation of the provincial grant, was overstated by $5,000 on Schedule 3. The shareable expenses were consequently understated by the same amount. As the provincial share of these expenses is 75% the grant from the province was understated by $3,750.

Comparative figures for the prior year have been restated.

Tiger Hills Conservation District

Schedule of Program Management Expenditures
For The Year Ended March 31, 2006

	2006	2005
Program Management		
Audit and legal	$ 797	$ 805
Bank charges and interest	380	
Board remuneration and expenses	2,012	1,814
Custom work	60	
Insurance	2,099	2,265
MCDA fees	3,000	3,000
Manager's expenses		1,685
Office operation		1,399
Printing, postage and stationery		411
Unallocated salaries, wages and benefits	1,982	1,380
Utilities	1,137	3,164
	$ 11,467	$ 15,923

Schedule 2.

Tiger Hills Conservation District

Schedule of District Programs
For The Year Ended March 31, 2006

	Elgin Creek	Pelican/ Rock Lake	Upper Oak	Lower Oak	Central Assiniboine	**2006 Total**	2005 Total
Abandoned wells	$ 2,263	$ 5,126	$ 2,572	$ 1,419	$ 848	**$ 12,228**	$ 11,395
Alternate water/pasture pipeline	853	462	919	2,199	2,808	**7,241**	7,765
Beaver management	552	552	605	661	552	**2,922**	2,422
Community trees	563	462	758	2,326	463	**4,572**	8,826
Demo days	462	462	462	362	462	**2,210**	
Fish habitat	462	772	1,135	936	450	**3,755**	6,936
Forage seed	1,783	2,415	1,676	2,568	2,057	**10,499**	12,353
Grassed waterways	8,638	1,440	6,934	1,206	686	**18,904**	22,678
Mole leveling/pasture management	905	637	928	814	793	**4,077**	6,259
Nutrient management							2,278
Prairie enhancement	462	462	462	462	2,702	**4,550**	3,515
Public education	2,813	2,818	2,064	2,298	2,465	**12,458**	23,359
Salinity solutions	1,769	462	462	462	462	**3,617**	14,905
Shoreline stabilization	462	2,052	462	461	687	**4,124**	2,402
Special projects	3,052	2,745	2,931	2,352	2,578	**13,658**	19,691
Well rehabilitation	438	550	702	564	782	**3,036**	3,235
Winter wheat	4,135	3,094	4,059	3,070	2,813	**17,171**	3,593
	$ 29,612	$ 24,511	$ 27,131	$ 22,160	$ 21,608	**$125,022**	$151,612

Schedule 3.

Tiger Hills Conservation District

Schedule of Cost Sharing

For The Year Ended March 31, 2006

	Total Expenditures	External Funding	Provincial	Local Levy
Program Management				
General	$ 11,467	$	$ 8,600	$ 2,867
Other		2,753	(1,463)	(1,290)
	11,467	2,753	7,137	1,577
District Programs				
Abandoned wells	12,228		9,171	3,057
Alternate water/pasture pipelines	7,241	2,822	3,314	1,105
Beaver management	2,922		2,191	731
Community tree	4,572		3,429	1,143
Demo days	2,210		1,657	553
Fish habitat	3,755		2,470	1,285
Forage seed	10,499		7,874	2,625
Grassed waterways	18,904		14,178	4,726
Mole leveling/pasture management	4,077		3,058	1,019
Prairie enhancement	4,550		3,413	1,137
Public education	12,458		9,343	3,115
Salinity solutions	3,617		2,713	904
Shoreline stabilization	4,124		3,440	684
Special projects	13,658	1,331	9,245	3,082
Well rehabilitation	3,036		2,277	759
Winter wheat	17,171	6,464	8,030	2,677
	125,022	10,617	85,803	28,602
Healthy Waters Project	8,341	8,341	-	-
Watershed planning	7,286	3,623	2,747	916
Public education	15,889	4,637	8,439	2,813
Total Expenditures	$168,005	$ 29,971	$104,126	$ 33,908

Reconciliation of deferred provincial grant

Deferred revenue, March 31, 2005	($ 4,370)
Correction of error in prior year's calculation of provincial share of expenses (note 5)	3,750
	(620)
Provincial share of expenses for the year	104,126
Less: Grant received	(110,000)
Deferred revenue, March 31, 2006	($ 6,494)

Appendix M

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

FINANCIAL STATEMENTS

For the year ended March 31, 2006

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
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Sensus

AUDITORS' REPORT

To the Board of Directors:
Turtle Mountain Conservation District No. 4:
Deloraine, Manitoba

We have audited the statement of financial position of **Turtle Mountain Conservation District No. 4** as at **March 31, 2006**, the statement of revenues and surplus for the General Board Program, the statements of operations and surplus (deficit) for Sub-District Program, Equipment Program #1, Equipment Program #2, and Equipment Reserve for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the district as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Sensus
Partnership of
Chartered Accountants

May 30, 2006
Russell, Manitoba

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
STATEMENT OF FINANCIAL POSITION
As at March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash and Cash Equivalents (Note 2)	$ 286,746	$ 308,151
Accounts Receivable (Note 3)	13,191	19,434
Provincial Grants Receivable (Schedule Of Provincial Grant Receivable)	1,706	651
Inventory (Note 2)	5,522	4,224
	307,165	332,460
PROPERTY, PLANT AND EQUIPMENT (Note 2 and 4)	185,830	192,716
	$ 492,995	$ 525,176
LIABILITIES		
CURRENT		
Accounts Payable	$ 12,264	$ 30,701
Unearned Revenue	26,519	40,578
	38,783	71,279
SURPLUS (DEFICIT)		
GENERAL BOARD PROGRAM	271,036	272,119
SUB-DISTRICT PROGRAM	111,723	113,792
EQUIPMENT PROGRAM #1	8,470	(5,640)
EQUIPMENT PROGRAM #2	30,983	41,626
EQUIPMENT RESERVE	32,000	32,000
	454,212	453,879
	$ 492,995	$ 525,176

Approved on behalf of the Board:

Richard L. Sexton Director

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
GENERAL BOARD PROGRAM
STATEMENT OF REVENUES AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
Municipal Levies	$ 68,547	$ 68,396
Province Of Manitoba	199,966	188,025
Land Rental	3,115	3,860
Direct Charges	1,274	607
Soils Committee	6,886	6,129
Recreation Committee / Promo Items / Other	1,800	1,216
Manitoba Hometown Green Team	2,284	6,852
Interest	7,243	5,588
Ducks Unlimited	3,596	5,779
Canadian Nature Federation		2,000
Municipal Grants - Important Bird Area	216	1,880
Manitoba Hydro - Forest Enhancement Program	7,313	300
Manitoba Hydro - Wind Power	1,600	
MB Agricultural Sustainability Initiative - Covering New Ground	1,520	2,067
Manitoba Forage Council		1,300
Sustainable Development Innov. Fund - Unused Road Allowance		15,500
Sustainable Development Innov. Fund - Native Grass and Wildflower Display	12,630	120
Sustainable Development Innov. Fund - - Turtle Mountain Conservation Agreement Program	25,000	
Fisheries & Oceans - Stewardship In Action		7,500
Canada Creek Bank Stabilization		6,968
Natural Resources Canada - Science & Technology - Internship Program	8,100	
Transfer From Sub-District Account	2,246	
Transfer From Equipment Program #2	1,147	2,571
	354,483	326,658
EXPENSES, Per Schedule Of Expenses	355,566	322,373
EXCESS OF REVENUES OVER EXPENSES	(1,083)	4,285
SURPLUS, BEGINNING OF YEAR	272,119	267,834
SURPLUS, END OF YEAR	$ 271,036	$ 272,119

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
GENERAL BOARD PROGRAM
SCHEDULE OF EXPENSES
For the year ended March 31, 2006

	2006	2005
Administrative - General	$ 37,210	$ 30,419
- Local	180	341
Public Relations	22	27
Board & Committee Remuneration	7,102	4,878
Amortization - Office Equipment	6,926	6,609
- Program Support	1,918	1,860
- Equipment	3,523	4,702
- Warehouse	6,081	6,081
Direct Expenses	1,274	607
Professional Education and Development	2,869	1,897
Social Programs		
Forage Seed Assistance	37,577	36,117
Public Education	86,535	71,445
Important Bird Area	216	3,880
Shelterbelt Program	61,731	59,903
Wildlife Habitat Improvement Program	8,691	21,484
Demonstration Projects	3,251	4,216
Interpretative Area Management	33,083	9,668
Agricultural Sustainability Initiative	3,374	2,067
Salinity Barrier Program	3,596	4,779
Wildlife Habitat Lease Program		1,020
Turtle Mountain Conservation Agreements	47,343	
Portable Windbreak		1,353
Reassessment Of Unused Road Allowances		20,068
Fisheries & Oceans -Fisheries Resource		7,110
Canada Creek Bank Stabilization		12,519
Warehouse Expenses	2,737	6,977
Transfer to Equipment #2	327	2,346
	$ 355,566	$ 322,373

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
SUB-DISTRICT PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT)
For the year ended March 31, 2006

	Wakopa 58	Upper Pembina 59	West Arthur 64	Waskada Creek 65	Medora Creek 66	Chain Lakes 67	Elgin Creek Wh. Lake 68	Total 2006	Total 2005
REVENUE									
Municipal Levies	$ 6,903	$ 6,998		$ 6,562	$ 4,236	$ 4,644	$ 6,950	$ 36,293	$ 36,444
Province Of Manitoba	23,187	23,942		22,124	13,754	15,551	16,531	115,089	110,468
Program Revenue	2,210	889		798	2,468	1,654	2,798	10,817	8,558
Land Rental Revenue	300					1,000		1,300	1,470
Natural Resources Canada - Science & Technology Int	741	741		702	468	507	741	3,900	
Fisheries & Oceans Canada - SW MB Water Festival	1,425	1,425		1,350	900	975	1,425	7,500	
MB Water Stewardship - Healthy Waters Program	950	950		900	600	650	950	5,000	
Manitoba Hometown Green Team	1,142	1,142						2,284	
Agriculture & Agri-Food Canada - PFRA - RWDP	1,250	1,249						2,499	3,453
	38,108	37,336		32,436	22,426	24,981	29,395	184,682	160,393
EXPENSES, Per Schedule Of Expenses	38,097	37,728		34,142	22,690	26,380	27,714	186,751	160,771
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	11	(392)		(1,706)	(264)	(1,399)	1,681	(2,069)	(378)
SURPLUS, BEGINNING OF YEAR	15,124	27,283	4,115	375	34,196	8,190	24,509	113,792	114,170
SURPLUS (DEFICIT), END OF YEAR	$15,135	$26,891	$4,115	($1,331)	$33,932	$6,791	$26,190	$111,723	$113,792

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
SUB-DISTRICT PROGRAM
SCHEDULE OF EXPENSES
For the year ended March 31, 2006

	Wakopa 58	Upper Pembina 59	West Arthur 64	Waskada Creek 65	Medora Creek 66	Chain Lakes 67	Elgin Creek Wh. Lake 68	Total 2006	Total 2005
Maintenance		$ 1,619		$ 7,142	$ 908	$ 67	$ 96	$ 9,832	$ 51,710
Water Storage / Maintenance	$ 110	2,715		7,270	8,294	2,828	9,199	30,416	12,305
Well Sealing	14,766	8,271		872	2,825	881	726	28,341	14,974
Abandoned Well Inventory	4,969	4,969						9,938	
Remote Watering	1,007						3,000	4,007	8,111
Education	271	36			36			343	
Remuneration	2,085	2,331		3,659	1,759	2,857	2,678	15,369	14,382
Water Sampling				185	120	94	377	776	459
Management Plan	5,360	5,360		5,078	3,385	3,668	5,360	28,211	31,247
Surface Water Management	1,317	1,317		1,248	832	901	1,317	6,932	
Watershed Inventory	1,021	1,021		967	645	699	1,021	5,374	
Water Festival	2,632	2,632		2,493	1,662	1,801	2,632	13,852	
Conservation Agreements									10,000
Portable Windbreaks	2,879	979						3,858	
Grassed Runways				361	996	9,906		11,263	
Project Support									8,610
Other	1,680	4,232		4,867	1,228	2,678	1,308	15,993	8,973
Transfer To General Board		2,246						2,246	
	$ 38,097	$ 37,728		$ 34,142	$ 22,690	$ 26,380	$ 27,714	$ 186,751	$ 160,771

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
EQUIPMENT PROGRAM #1
STATEMENT OF OPERATIONS AND SURPLUS (DEFICIT)
For the year ended March 31, 2006

	2006	2005
REVENUE		
Equipment Revenue	$ 22,636	$ 19,963
Transfer From Equipment #2	19,000	
	41,636	19,963
EXPENSES		
Repairs And Maintenance	14,165	9,375
Amortization	10,832	8,694
Licence And Insurance	2,528	2,619
	27,525	20,688
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	14,111	(725)
DEFICIT, BEGINNING OF YEAR	(5,641)	(4,915)
SURPLUS (DEFICIT), END OF YEAR	$ 8,470	($ 5,640)

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
EQUIPMENT PROGRAM #2
STATEMENT OF OPERATIONS AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
Equipment Revenue	$ 35,503	$ 23,386
Transfer From General Board Program	327	2,346
	35,830	25,732
EXPENSES		
Insurance And Licences	1,894	1,840
Repairs And Maintenance	24,105	29,227
Small Tools	327	2,346
Transfer To General Board Program	1,147	2,571
Transfer To Equipment Program #1	19,000	
	46,473	35,984
DEFICIT OF REVENUE OVER EXPENSES	(10,643)	(10,252)
SURPLUS, BEGINNING OF YEAR	41,626	51,878
SURPLUS, END OF YEAR	$ 30,983	$ 41,626

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
EQUIPMENT RESERVE
STATEMENT OF OPERATIONS AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
EXPENSES		
EXCESS OF REVENUE OVER EXPENSES		
SURPLUS, BEGINNING OF YEAR	$ 32,000	$ 32,000
SURPLUS, END OF YEAR	$ 32,000	$ 32,000

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
SCHEDULE OF COST SHARING
For the year ended March 31, 2006

	Total Expenditures	Provincial	District Levies	Other	External
ADMINISTRATION					
Office Operation	$ 42,021	$ 31,516	$ 10,505		
Remuneration	976	732	244		
Public Rels & Local Admin	202			$ 202	
	43,199	32,248	10,749	202	
ASSETS					
Vehicles / Machinery	19,000			19,000	
Program Support Equipment	3,395	2,247	751	397	
Inventory	2,541	1,906	635		
Amortization	27,532			27,532	
	52,468	4,153	1,386	46,929	
PUBLIC EDUCATION					
Conservation In The Classroom	5,618	4,214	1,404		
Oak Hammock Marsh	3,250	2,437	813		
Interpetive Area Maint.	33,083	11,558	3,853		$ 17,672
Advertising / Promotions	14,388	10,791	3,597		
Annual Supper	4,198	2,237	746	1,215	
Miscellaneous	56,297	38,472	12,824	801	4,200
Prof. Ed & Development	2,869	2,152	717		
MCDA Dues / PRBAB	3,000	2,250	750		
ASI-CNG -Grazing Tour	3,374	1,390	464		1,520
Remuneration	4,967	3,725	1,242		
	131,044	79,226	26,410	2,016	23,392
SOILS					
Forage- Salinity Program	41,173	28,183	9,394		3,596
Shelterbelt Program	61,731	34,793	11,598	6,886	8,454
Land Management	3,251	2,438	813		
Remuneration	588	441	147		
Direct Expenses	1,273			1,273	
	108,016	65,855	21,952	8,159	12,050
WILDLIFE / FISHERIES					
Derksen Heide / Other	4,985	391	130	2,864	1,600
Conservation Corridor Program	3,244	2,433	811		
TM Habitat Conservation Agreements	47,343	16,758	5,585		25,000
Property Management	251			251	
Ab. Farmstead	211	158	53		
Remuneration	571	428	143		
	56,605	20,168	6,722	3,115	26,600

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
SCHEDULE OF COST SHARING
For the year ended March 31, 2006

	Total Expenditures	Provincial	District Levies	Other	External
WATER PROGRAM					
Board					
Management Plan	28,212	21,159	7,053		
Water Festival	13,851	1,533	511	407	11,400
Surface Water Management	6,932	5,200	1,732		
Watershed Inventory	5,373	280	93		5,000
Abandoned Well Inventory	9,938	3,866	1,289		4,783
Remuneration	15,368	11,526	3,842		
	79,674	43,564	14,520	407	21,183
Sub-District					
Runway Maintenance	9,831	7,374	2,457		
Water Storage Projects / Maint	29,796	17,271	5,757	6,768	
Well Sealing	28,341	18,524	6,175	3,642	
Grassed Runways	11,262	8,447	2,815		
Remote Watering	4,007	3,005	1,002		
Education	308	231	77		
Other	21,285	14,989	4,996	1,300	
	104,830	69,841	23,279	11,710	
TOTAL	$ 575,836	$ 315,055	$ 105,018	$ 72,538	$ 83,225

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
For the year ended March 31, 2006

PROVINCIAL GRANT RECEIVABLE	**2006**	2005
Balance, Beginning Of year	$ 651	$ 2,158
Add: Provincial Allocation Of Expenses For Year	315,055	298,493
	315,706	300,651
Less: Grants Received	314,000	300,000
Balance, End Of Year	$ 1,706	$ 651

1. INCORPORATION AND OPERATIONS

The Turtle Mountain Conservation District No. 4 was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Significant accounting policies include the following:

Cash And Cash Equivalents
Cash and cash equivalents represent cash and term deposits with maturities of three months or less. Term deposits earn interest at annual rates of 2.1% (2.1% in 2005)

Inventory
Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Property, Plant And Equipment
Property, plant and equipment are recorded at cost. Donated assets are recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statements of operations as gains or losses on disposal. Amortization is provided using the straight-line method intended to amortize the cost of the assets over their estimated useful lives at the following rates:

	Rate
Building	5%
Field Equipment - Machinery	10%
Field Equipment - Vehicles	15%
Office Equipment	15%
Program Support Equipment	10%

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use Of Estimates
The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Revenue Recognition
Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funding received in advance of making the related expenditures is deferred.

3. ACCOUNTS RECEIVABLE

	2006	2005
Trade	**$ 3,639**	$ 3,302
Goods And Services Tax	**1,442**	2,862
Ecoaction	**610**	7,613
Other Programs	**7,500**	5,657
	$ 13,191	$ 19,434

Accounts receivable has been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2006

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4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of year	Additions	Disposals	Balance, End of Year
Warehouse	$ 121,616			$121,616
Office Equipment	56,103			56,103
Program Support Equipment	20,758	$3,395		24,153
Field Equipment				
Tractors	91,862			91,862
Trucks	79,415			79,415
Trailers	12,054			12,054
Other	76,399	19,000		95,399
	458,207	22,395		480,602
ACCUMULATED AMORTIZATION				
Warehouse	8,107	6,081		14,188
Office Equipment	32,853	6,926		39,779
Program Support Equipment	9,434	1,918		11,352
Field Equipment				
Tractors	93,234	457		93,692
Trucks	47,916	8,373		56,289
Trailers	10,827	573		11,400
Other	63,120	4,952		68,072
	265,491	29,280		294,772
NET BOOK VALUE	$ 192,716			$ 185,830

5. ECONOMIC DEPENDENCE

Turtle Mountain Conservation District No.4 receives at least 60% of its operating revenue from the Province of Manitoba and is economically dependent on it.

6. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash and cash equivalents, accounts receivable, accounts payable, and unearned revenue. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturities.

Credit Risk Management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce its risk, the organization has adopted credit policies, which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the agriculture business.

7. COMPARATIVE FIGURES

The comparative figures were audited by another public accounting firm on June 3, 2005.

Appendix N

ZAPLITNY & ZAMRYKUT
Chartered Accountants

Zaplitny, C.A.
Zamrykut, B.Comm., C.A.
Love, B.Comm., C.A.

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Telephone (204) 638-3543
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TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

FINANCIAL STATEMENT

As at March 31st, 2006

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the statement of financial position of Turtle River Watershed Conservation District #2 as at March 31st, 2006 and the other statements, being statement "1" to "6" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2006 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
June 6th, 2006

STATEMENT "1"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2006 and 2005

	General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	SD45 Levy Reserve Fund	SD46 Levy Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve 75/25	Infra-structure Reserve	2006 Total	2005 Total
Current Assets -										
Cash on Hand and in Bank	$ 123,641								123,641	137,810
Short Term Investments		3,449							3,449	3,449
Accounts Receivable-Note 4	86,315								86,315	40,533
Prov of Man Receivable-Note 3	8,758								8,758	7,646
Prepaid Expenses	2,179								2,179	1,698
Inventory	104,354								104,354	136,487
Total Current Assets	325,247	3,449							328,696	327,623
Capital Assets-Note 5	53,101								53,101	70,590
Total	$ 378,348	3,449							381,797	398,213
Current Liabilities -										
Accounts Payable-Note 6	$ 61								61	2,580
Labour Crew Surcharge	5,245								5,245	10,625
Prepaid Grant	2,754								2,754	26,783
Due To(From) Other Funds	185,375	(7,229)	(30,801)	(10,393)	(8,057)	(83,295)	(40,800)	(4,800)		
Total Current Liabilities	193,435	(7,229)	(30,801)	(10,393)	(8,057)	(83,295)	(40,800)	(4,800)	8,060	39,988
Fund Balances -										
Invested in Capital Assets	53,101								53,101	70,590
Internally Restricted		10,678	30,801	10,393	8,057	83,295	40,800	4,800	188,824	135,920
Unrestricted	131,812								131,812	151,715
	184,913	10,678	30,801	10,393	8,057	83,295	40,800	4,800	373,737	358,225
Total	$ 378,348	3,449	NIL	NIL	NIL	NIL	NIL	NIL	381,797	398,213

X

TRWCD Board Chairperson

X

TRWCD Board Vice Chairperson

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2006 and 2005

	General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	SD45 Levy Reserve Fund	SD46 Levy Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve 75/25	Infra-structure Reserve	2006 Total	2005 Total
Net Assets, Beginning of Year	$ 222,305	11,535	28,571	10,393	8,057	61,764	10,800	4,800	358,225	326,144
Excess of Revenue Over/(Under) Expenditures	(6,601)					21,531			14,930	31,365
Transfer (To)/From Other Funds	(31,373)	(857)	2,230				30,000			
Inventory Adjustment	582								582	716
Net Assets, End of Year	$ 184,913	10,678	30,801	10,393	8,057	83,295	40,800	4,800	373,737	358,225

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
GENERAL BOARD FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2006 and 2005

	2006	2005
Revenue -		
Municipal Levies & Grants	$ 143,769	136,513
Province of Manitoba Allocated Grant-Statement "6"	401,112	404,343
Other Grants	28,053	17,305
Custom Work	20,007	7,016
Land Owner Revenue	586	420
Interest Income	1,556	1,256
Other Income	1,802	1,357
Gain (Loss) on Disposal of Asset		6,850
	596,885	575,060
Expenditures -		
Board Remuneration	25,306	20,264
Administration	23,634	22,704
Wages and Benefits	102,588	84,328
Staff Expenses	9,985	8,566
Management Plan	1,039	5,351
Office Rent	7,236	7,236
MCDA Dues	3,000	3,000
Educational Activities	11,184	19,867
Custom Work	20,007	7,016
Garage Alarm/Taxes	826	1,899
Forage Assistance	2,288	4,640
Land Management Services	1,234	262
Brushing and Spraying	33,691	45,155
Drain Maintenance	188,538	173,480
Off Site Watering	424	2,797
Project Monitoring/Evaluation		8,403
DNR Surveying		3,335
Crossing Repairs	28,478	31,356
Crossing Replacements	6,304	21,727
Program Evaluation (Summer Student)	6,193	8,156
Consultant Fees	32,414	22,402
Labour Crew Costs	17,979	20,004
Shed Expenses	1,797	1,755
Bank Stabilization		7,086
Erosion Control	31,834	
Plastic Mulch Program	1,020	626
Abandoned Well Sealings	2,870	2,147
Spring Run-off Damages	25,271	
S.R.F.P.S.	857	857
Amortization Expense	17,489	24,342
	603,486	558,761
Excess Revenues Over/(Under) Expenditures	$ (6,601)	16,299

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
EQUIPMENT RESERVE FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2006 and 2005

		2006	2005
Revenues -			
Truck	$	22,017	23,640
Quad		4,150	320
Tractor		7,250	6,175
Labour Crew Tools and Equipment		2,936	2,754
Trailer		725	888
		37,078	33,777
Expenditures -			
Truck		12,362	16,031
Quad		630	693
Tractor		1,171	1,224
Labour Crew Tools and Equipment		869	441
Trailer		515	322
		15,547	18,711
Excess of Revenue Over/(Under) Expenditures	$	21,531	15,066

(The accompanying notes are an integral part of these financial statements)

STATEMENT "5"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF CASH FLOWS
For the Years Ended March 31st, 2006 and 2005

	2006	2005
Cash Provided by (Used in) Operating Activities -		
Excess of Revenue Over/(Under) Expenditure	$ 14,930	31,365
Non-Cash Items included in Expenditures:		
Amortization	17,489	24,342
Gain on Disposal of Asset		(6,850)
Inventory Adjustment	582	716
	33,001	49,573
Changes in Non-Cash Working Capital Components -		
Accounts Receivable	(45,782)	(27,625)
Province of Manitoba Receivable	(1,112)	(4,343)
Prepaid Expenses	(481)	(1,067)
Inventory	32,133	(17,995)
Accounts Payable	(2,519)	731
Labour Crew Surcharge	(5,380)	(3,673)
Prepaid Grants	(24,029)	9,025
	(47,170)	(44,947)
Investing -		
Purchase of Capital Assets - Net		(33,874)
Increase (Decrease) in Cash	(14,169)	(29,248)
Cash, Beginning of Year	137,810	167,058
Cash, End of Year	$ 123,641	137,810

(The accompanying notes are an integral part of these financial statements)

STATEMENT "6"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the Year Ended March 31st, 2006

	Total	% Shareable Prov/District or External	Provincial Share	District & Other Share
Program Management -				
Office Operation	$ 31,519	75/25	23,639	7,880
Administrative Salaries	35,959	75/25	26,969	8,990
Public Education -				
Demo Days/Tours	443	75/25	332	111
Advertising/Signage	5,186	75/25	3,890	1,296
Educational Activities	5,555	75/25	4,166	1,389
TRWCD Management Plan	1,039	75/25	779	260
MCDA Dues	3,000	75/25	2,250	750
Board Remuneration	25,306	75/25	18,979	6,327
TRWCD Website	3,918	75/25	2,938	980
Wildlife/Fisheries -				
Summer Students	6,193	26/74	1,627	4,566
Soils -				
Forage Seed Assistance	2,288	75/25	1,716	572
Offsite Watering	424	75/25	318	106
Shelterbelt Program	1,020	75/25	765	255
Water -				
ECS/Streambank Stabilization	31,834	23/77	7,376	24,458
Abandoned Well Sealing	2,870	75/25	2,153	717
Drain Maintenance	188,538	75/25	141,403	47,135
Project Dev. & Implementation	72,873	75/25	54,655	18,218
Brushing	15,221	65/35	9,894	5,327
Spraying	18,470	75/25	13,852	4,618
SRFPS	857	0/100		857
Eng, Surveys & Consulting	21,871	75/25	16,403	5,468
Spring Flood Damages	25,271	75/25	18,953	6,318
Crossings -				
Repair	28,478	75/25	21,359	7,119
Replacement	6,304	75/25	4,728	1,576
Eng, Surveys & Consulting	11,777	75/25	8,833	2,944
Infrastructure Reserve	30,000	75/25	22,500	7,500
TRWCD Compound	19,776	75/25	14,832	4,944
Other -				
Inventory Sales	(43,700)	75/25	(32,775)	(10,925)
Inventory Purchases	11,562	75/25	8,672	2,890
Consignment Sale Revenue	(125)	75/25	(94)	(31)
Custom Work	20,007	0/100		20,007
Amortization	17,489	0/100		17,489
	$ 601,223		401,112	200,111

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st 2006

1. Incorporation & Commencement of Operations -

Turtle River Watershed Conversation District #2 was incorporated under the laws of the Province of Manitoba and commenced operations in 1976.

Organization -

Turtle River Watershed Conversation District #2 operates under the authority of the Conservation Districts Act. The objective for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Significant Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Investments -

Investments are recorded at the lower of cost and net realizable value.

Capital Assets -

Capital Assets are recorded at cost and amortization is provided for in the accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

Office Equipment	15%
Computer Equipment	20%
Storage Yard Fence	5%
Tools, Equipment, & Tent	20%
Building	4%
Truck & Quad	25%
Tractor	20%
Leasehold Improvements	Amortized over remaining term of lease of 36 months

Income Taxes -

Turtle River Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -

The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

3. Accounts Receivable - Province of Manitoba -

	2006	2005
Amount at Beginning of Year	$ 7,646	3,303
Add - Allocated to Watershed Programs - General Board	401,112	404,343
	408,758	407,646
Less - Grant Received	400,000	400,000
Balance, End of Year	$ 8,758	7,646

4. Accounts Receivable -

	2006	2005
Province of MB - EMO	$ 31,035	
GST Recoverable	11,775	11,294
Rural Municipalities and Villages	41,173	24,017
Staff - GIC's	2,320	2,040
Other	12	3,182
	$ 86,315	40,533

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2006

5. Capital Assets -

		Cost	Accumulated Amortization	2006 Book Value	2005 Book Value
Office Equipment & Computers	$	50,599	44,585	6,014	9,007
Fence		4,863	4,863	NIL	NIL
Trucks		83,303	69,002	14,301	21,166
Tools		24,855	24,157	698	1,054
Building		28,213	18,574	9,639	10,768
Plastic Mulcher		1,469	1,469	NIL	NIL
Tractor, Drill, Sprayer		55,590	55,204	386	1,007
Trailers		5,312	5,312	NIL	NIL
Leasehold Improvements		7,143	7,143	NIL	NIL
L.C. Water Tank		452	328	124	192
Pipeline Plough		13,905	8,111	5,794	8,575
Office Garage		12,572	1,079	11,493	11,996
Quad		8,292	3,973	4,319	6,392
Tent		500	167	333	433
	$	297,068	243,967	53,101	70,590

6. Accounts Payable -

		2006	2005
Trade Payables	$	61	2,580

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

Description	Purchase Date		Purchase Price
N 1/2 of 31-23-17WPM	Dec 19/86	$	21,500
SE 1/4 of 27-20-14WPM	Mar 14/88		7,500
SW 1/4 of 19-22-17WPM	June 28/89		20,000
NE 1/4 22-20-14WPM	April 8/91		8,800
SW 1/4 24-23-18WPM	Aug 10/90		22,500
S 1/2 of 22-22-14WPM	May 2/89		13,000
NE 1/4 of 1-22-14WPM	Mar 8/91		10,000
SW 1/4 of 8-24-17WPM	Apr 27/92		14,500
PT of SE of 20-24-17WPM	Sept 8/94		4,132
NW of 30-23-17WPM	1996		17,500
SE 1/4 of 25-23-18WPM	May 1/96		17,500
NE 1/4 25-23-18WPM	1997		25,000
NW 1/4 25-25-18WPM	1997		25,000
PT of N1/2 24-23-18WPM	1998		10,700

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

FINANCIAL STATEMENTS

For the year ended March 31, 2006

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

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AUDITORS' REPORT

To the Board of Directors:
Upper Assiniboine River Conservation District No. 8
Miniota, Manitoba

We have audited the Statement of Financial Position of **Upper Assiniboine River Conservation District No. 8** as at **March 31, 2006** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Sensus
PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
May 17, 2006

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF FINANCIAL POSITION

For the year ended March 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 164,256	$ 110,426
Accounts receivable (Note 2)	81,527	5,443
GST receivable	13,125	6,648
Provincial grant receivable (Note 11)	729	2,290
Inventories (Note 2 and 3)	14,803	1,146
Prepaid expenses	6,087	10,679
	280,527	136,632
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 4)	322,709	188,557
OTHER (Note 5)	4,920	4,183
	$ 608,156	$ 329,372
LIABILITIES		
CURRENT		
Accounts payable (Note 6)	$ 171,141	$ 50,926
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	322,709	188,557
SURPLUS	114,306	89,889
	437,015	278,446
	$ 608,156	$ 329,372

APPROVED ON BEHALF OF THE BOARD:

Director

Director

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
Grant - Province of Manitoba	$ 248,439	$ 249,399
External funding	137,048	28,381
Municipal grants (Note 9)	84,308	83,429
Landowner	14,189	8,664
Interest	8,345	4,976
Truck revenue	5,535	9,878
Municipal start-up levy		6,220
	497,864	390,947
EXPENDITURES		
Office operation	31,910	34,575
Public education	96,649	73,647
Soil programs	59,376	54,180
Truck expenses	4,616	4,555
Water programs	143,618	117,205
Wildlife	3,126	6,162
	339,295	290,324
REVENUE OVER EXPENDITURES	158,569	100,623
OTHER ITEM		
Investment in property, plant and equipment	(134,152)	(84,230)
NET REVENUE OVER EXPENDITURES FOR YEAR	24,417	16,393
SURPLUS, BEGINNING OF YEAR	89,889	73,496
SURPLUS, END OF YEAR	$ 114,306	$ 89,889

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF CASH FLOWS

For the year ended March 31, 2006

		2006		2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	$	75,769	$	57,365
Cash paid to suppliers and employees		(362,294)		(371,877)
Interest received		8,345		4,976
Grants received		332,747		339,048
		54,567		29,512
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(134,152)		(84,230)
Change in other long-term assets		(737)		(508)
		(134,889)		(84,738)
CASH FLOWS FROM FINANCING ACTIVITIES				
Change in other surplus accounts		134,152		84,230
NET INCREASE IN CASH		53,830		29,004
CASH, BEGINNING OF YEAR		110,426		81,422
CASH, END OF YEAR	$	164,256	$	110,426

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2006

1. ENTITY DEFINITION

The Upper Assiniboine River Conservation District No. 8 (the "organization") was formed in 1996 to aid in the conservation of natural resources in the Municipalities of Archie, Birtle, Ellice, Hamiota, Miniota, Rossburn, Shoal Lake, Wallace and Woodworth and the encompassing Towns and Villages.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be the more significant policies:

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment as is appropriate for conservation districts in the province of Manitoba.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. INVENTORIES

	2006	2005
Project supplies	**$ 14,803**	$ 1,146

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 46,823	2,382		$ 49,205
Automotive equipment	64,829			64,829
Trailer equipment	2,580	3,210		5,790
Surveying equipment	16,643			16,643
Water testing equipment	3,636			3,636
Pipeline plow	5,981			5,981
Watering demonstration system	20,849	4,519		25,368
Aerial mapping	38,000	124,041		162,041
	199,341	134,152		333,493
ACCUMULATED AMORTIZATION				
Office equipment	8,393			8,393
Surveying equipment	2,073			2,073
Water testing equipment	318			318
	10,784			10,784
NET BOOK VALUE	$ 188,557			$ 322,709

5. OTHER ASSETS

	2006	2005
Vanguard Credit Union Ltd. surplus shares	$ 1,221	$ 1,054
Twin Valley Coop patronage equity	3,699	3,129
	$ 4,920	$ 4,183

6. ACCOUNTS PAYABLE

	2006	2005
Trade	$ 171,141	$ 50,926

7. ECONOMIC DEPENDENCE

Upper Assiniboine River Conservation District receives at least 60% of its operating revenue from the Province of Manitoba and is economically dependent on it.

8. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

9. MUNICIPAL GRANTS

Grants received from local governments involved in the conservation district are the following:

	2006	2005
R.M. of Archie	$ 5,662	$ 5,663
R.M. of Birtle	11,592	11,594
R.M. of Ellice	5,466	5,465
R.M. of Hamiota	9,765	9,768
R.M. of Miniota	9,403	9,401
R.M. of Rossburn	6,786	6,555
R.M. of Shoal Lake	7,156	7,144
R.M. of Wallace	12,490	12,523
R.M. of Woodworth	12,991	12,988
Town of Birtle	610	610
Town of Rossburn	302	305
Town of Shoal Lake	934	932
Village of Elkhorn	386	
Village of Hamiota	483	481
Village of St. Lazare	282	
	$ 84,308	$ 83,429

10. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, inventory, prepaid expenses, and accounts payable. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturity.

Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the agriculture business.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2006

11. PROVINCIAL GRANT RECEIVABLE

	2006	2005
BALANCE, BEGINNING OF YEAR	$ 2,290	$ 2,891
Add: Provincial allocation of expenses for year	248,439	249,399
	250,729	252,290
Less: Grant received	250,000	250,000
BALANCE, END OF YEAR	$ 729	$ 2,290

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO.8

SCHEDULE OF PROVINCIAL CONTRIBUTIONS

For the year ended March 31, 2006

PROJECTS & PROGRAMS	Total Expenditures	Provincial	Levies	Landowner	External
PROGRAM MANAGEMENT					
Program support/planning	12,773	8,725	2,908	1,140	
Office operation	19,137	14,025	4,675	359	78
	31,910	22,750	7,583	1,499	78
PUBLIC EDUCATION					
Advertising/meetings/courses	41,725	31,294	10,431		
Conservation in the Classroom	4,709	1,097	366		3,247
General education	47,215	23,123	7,708		16,383
MCDA dues	3,000	2,250	750		
	96,649	57,764	19,255		19,630
SOIL PROGRAMS					
Winter cereals	3,600	2,700	900		
Forage seed	10,075	7,556	2,519		
General soils	23,687	11,039	3,680	4,300	4,668
Grassed runway/gully stabilization	15,758	9,675	3,225	2,858	
Rotational grazing - fencing	6,256	4,692	1,564		
	59,376	35,662	11,888	7,158	4,668
WATER MANAGEMENT					
Abandoned wells	16,602	11,645	3,882	1,075	
Livestock crossing	17,296	11,409	3,803	2,084	
Stream bank stabilization	29,782	22,337	7,446		
Small dams/shale traps/other	22,561	10,666	3,555	2,369	5,971
Alternative watering system	43,830	32,872	10,957		
Maintenance	13,547	10,160	3,387		
	143,618	99,089	33,030	5,528	5,971
WILDLIFE					
Salinity seed	3,126	315	105		2,706
BOARD TRUCK					
Board truck expense	4,616		4,616		
SUBTOTAL	**339,295**	**215,580**	**76,477**	**14,185**	**33,053**
ASSETS PURCHASED					
Property, plant and equipment	134,152	22,614	7,538		104,000
Inventory adjustment	13,657	10,242	3,414		
	147,809	32,856	10,952		104,000
TOTAL EXPENDITURE	**487,104**	**248,436**	**87,429**	**14,185**	**137,053**

Appendix P

WEST SOURIS RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2006

WEST SOURIS RIVER CONSERVATION DISTRICT
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AUDITORS' REPORT

To the Board of Directors:
West Souris River Conservation District
Reston, Manitoba

We have audited the balance sheet of **West Souris River Conservation District** as at **March 31, 2006** and the statement of revenue, expenditures and surplus for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2006** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Grant Receivable presented by the District.

Sensus
PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
June 21, 2006

WEST SOURIS RIVER CONSERVATION DISTRICT
BALANCE SHEET
As at March 31, 2006

ASSETS

	2006	2005
CURRENT		
Cash	$ 51,131	$ 43,795
Accounts receivable (Notes 2 & 3)	48,343	42,543
Inventories (Note 2)	2,636	2,636
	102,110	88,974
INVESTMENT (Note 2)	22,667	23,108
PROPERTY, PLANT AND EQUIPMENT (Notes 2 & 4)	171,933	204,143
PATRONAGE DIVIDENDS	1,688	1,554
	$ 298,398	$ 317,779

LIABILITIES

	2006	2005
CURRENT		
Bank indebtedness (Note 5)	$ 42,343	$ 14,331
Accounts payable	29,507	48,245
Deferred revenue	39,316	37,066
Current portion of long term debt (Note 6)	13,782	12,904
	124,948	112,546
LONG TERM DEBT (Note 6)	72,324	86,131
	197,272	198,677

SURPLUS

	2006	2005
SURPLUS	45,296	63,274
INTERNALLY RESTRICTED (Note 13)	32,720	32,720
RESTRICTED FOR BURSARY PURPOSES (Note 14)	23,110	23,108
	101,126	119,102
	$ 298,398	$ 317,779

WEST SOURIS RIVER CONSERVATION DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS
For the year ended March 31, 2006

	2006	2005
REVENUE		
Grants (Note 9)	$ 231,670	$ 270,826
Municipal Levies (Note 11)	67,027	62,397
Programs	21,009	22,457
Other	12,317	10,677
Employment Projects	750	2,450
Equipment Rental	140	1,600
Interest and Patronage allocations	812	436
Inventory Sales Revenue		352
	333,725	371,195
GENERAL AND ADMINISTRATION EXPENDITURES		
Cost of Goods Sold		300
Freight	80	204
Interest and Bank Charges	6,326	8,036
Memberships	3,000	4,777
Office	13,853	15,499
Professional Fees	2,262	1,050
Property Taxes	267	479
Small Tools	269	
Telephone	5,395	5,677
Utilities	1,385	1,360
Wages and Benefits	4,380	3,600
	37,217	40,982
PROGRAM DELIVERY COSTS		
Advertising	10,123	23,465
Amortization		31,298
Board Remuneration	10,370	3,703
Project Support / Planning	28,634	11,802
Public Education - General	10,997	22,485
Public Education - Other		1,101
Seminars and Conferences	5,549	6,980
Sub-district Programs (Schedule 3)	216,207	248,336
	281,880	349,170
TOTAL EXPENSES	319,097	390,152
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,628	(18,957)
OTHER ITEM		
Loss on disposal of property, plant and equipment	(32,606)	
NET INCOME	(17,978)	(18,957)
SURPLUS, BEGINNING OF YEAR	63,274	82,231
SURPLUS, END OF YEAR	45,296	63,274

WEST SOURIS RIVER CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 24,475	$ 171
Cash paid to suppliers and employees	(337,834)	(334,152)
Interest received	678	348
Grants and municipal levies received	298,698	333,223
Interest paid	6,326	8,036
	(7,657)	7,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(396)	(478)
Purchase of investments	(532)	(4)
Proceeds on disposal of investments	973	
Change in other long-term assets	(134)	(88)
	(89)	(570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness	28,012	
Repayment of bank indebtedness		(263)
Repayment of long-term debt	(12,930)	(12,055)
	15,082	(12,318)
NET INCREASE (DECREASE) IN CASH	7,336	(5,262)
CASH, BEGINNING OF YEAR	43,795	49,057
CASH, END OF YEAR	$ 51,131	$ 43,795

WEST SOURIS RIVER CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2006

1. ENTITY DEFINITION

The West Souris Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The district receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and includes the following significant accounting policies:

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Investment

The investment consists of a term deposit with the Virden Credit Union that matures on September 17, 2007, bearing interest of 4.50%.

Property, plant and equipment

Property, plant, and equipment are recorded at cost. The organization is no longer recording amortization for property, plant, and equipment as is appropriate for conservation districts in the Province of Manitoba.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Revenue Recognition

West Souris River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

3. ACCOUNTS RECEIVABLE

	2006	2005
Trade	$ 40,789	$ 39,226
Provincial grant (Schedule 2)	2,365	716
GST	5,189	2,601
	$ 48,343	$ 42,543

4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Buildings	$ 129,338			$ 129,338
Equipment - self propelled	88,613			88,613
Equipment - pull-type	95,200		54,344	40,856
Equipment - office	96,430	396		96,826
	409,581	396	54,344	355,633
Buildings	38,543			38,543
Equipment - self propelled	68,357			68,357
Equipment - pull-type	52,305		21,738	30,567
Equipment - office	46,233			46,233
	205,438		21,738	183,700
BOOK VALUE	$ 204,143			$ 171,933

5. BANK INDEBTEDNESS

Bank indebtedness includes an operating loan from the Virden Credit Union with an authorized limit of $30,000. The total bank indebtedness amounts to $42,343 ($14,331 in 2005), bearing interest at prime. The prime rate of interest at March 31, 2006 was 5.50% (4.25% in 2005).

The balance on the line of credit is in excess of the authorized limit as a result of the timing of deposits and cheques clearing.

6. LONG TERM DEBT

	2006	2005
Virden Credit Union - note payable in quarterly instalments of $2,007 bearing interest at 6.0%, loan secured by a truck and is due June 2007.	$ 10,038	$ 17,218
RM of Pipestone - debenture payable in annual instalments of $11,987 including interest at 7.625%. It is secured by land and buildings and is due December 2014.	76,068	81,817
	86,106	99.035
Less Current portion	13,782	12,904
	$ 72,324	$ 86,131

Principal payments due in the next five years are as follows:

2007	$ 13,782
2008	9,103
2009	7,167
2010	7,714
2011	8,301
Subsequent	40,039
	$ 86,106

7. COMMITMENT

Minimum lease payments due in the next five years are as follows on the photocopier and the postage machine:

2007	$ 2,711
2008	2,711
2009	2,292
2010	1,146

8. ECONOMIC DEPENDENCE

West Souris River Conservation District receives at least 60% of its operating revenue from the Provincial Government and is economically dependent on it.

9. GRANTS

Grants received from local government involvement in the conservation district were the following:

	2006	2005
Province of Manitoba - Manitoba Water Stewardship Branch	$ 201,648	$ 198,407
Rural Water Development Program	24,374	30,277
Fisheries Enhancement Initiative	5,474	15,010
Sustainable Communities Initiatives Fund	174	11,315
Manitoba Agricultural Sustainability Program		6,707
Ducks Unlimited		4,110
Province of Manitoba - Water Services Board		5,000
	$ 231,670	$ 270,826

10. REGISTERED CHARITY

The Conservation District is registered as a charitable organization under the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the West Souris River Conservation District must meet certain requirements under the Act. In the opinion of management, these requirements have been met. There is no change to the GST method of reporting and the rebate allowed still falls under municipal government at 100%.

11. MUNICIPAL LEVIES

	2006	2005
Rural Municipality of Albert	11,209	10,211
Rural Municipality of Arthur	7,879	7,879
Rural Municipality of Cameron	3,068	3,069
Rural Municipality of Edward	12,074	11,001
Rural Municipality of Pipestone	18,184	16,549
Rural Municipality of Sifton	11,732	10,814
Rural Municipality of Wallace	2,881	2,874
	$ 67,027	$ 62,397

12. FINANCIAL INSTRUMENTS

Financial instruments of the organization consist of cash, accounts receivable, bank indebtedness, accounts payable, and deferred revenue. The carrying values of these financial assets and financial liabilities approximate their fair values due to their short term maturity.

The fair value of the long term debt has not been presented as these are not readily determinable.

Credit risk management
The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart.

13. INTERNALLY RESTRICTED

	2006	2005
Board equity	32,720	32,720
	$ 32,720	$ 32,720

Internally restricted net assets are derived from the donation of equipment to the conservation district from a previous organization.

14. RESTRICTED FOR BURSARY PURPOSES

	2006	2005
Balance - beginning of year	$ 23,108	$ 23,104
Add: Interest	1,002	1,004
	24,110	24,108
Less: Scholarships paid	1,000	1,000
Balance - end of year	$ 23,110	$ 23,108

The principal portion of the bursary is restricted, only interest earned on the principal amount may be paid out as bursaries.

15. CHANGE IN ACCOUNTING POLICY

For the 2006 year end, the board has made an unanimous decision to adopt a policy to no longer amortize the property, plant, and equipment. This change has been chosen to be applied prospectively. The net effect to the 2006 financial statements is a decrease in expenses of $33,527 and an overall decrease in the deficiency of revenues over expenditures.

16. COMPARATIVE FIGURES

The prior year's figures were audited by another public accounting firm on July 11, 2005.

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1 - SCHEDULE OF COST SHARING

For the year ended March 31, 2006

	Revised Budget	Total Expenses	Provincial	District Levies	District Other	External
ADMINISTRATION						
Program Support/Planning						
Office Operation	25,500	25,685	15,291	5,097		5,297
Disposal Equipment						
Depreciation						
Total	**25,500**	**25,685**	**15,291**	**5,097**		**5,297**
ASSETS						
Office Equipment & Furnishings	3,400	396	297	99		
Program Support Equipment						
New Office	12,000	11,988	8,991	2,997		
Vehicles	8,000	8,027	6,020	2,007		
Total	**23,400**	**20,411**	**15,308**	**5,103**		
PUBLIC EDUCATION						
Public Education & Awareness	70,600	70,122	45,859	15,287		8,976
Canupawakpa Trail		7,789	4,342	1,447		2,000
Project Support/Planning						
Total	**70,600**	**77,911**	**50,201**	**16,734**		**10,976**
SOILS						
Residue Management						
Forage for Problem Soils	6,000	9,459	7,094	2,365		
Shelterbelts	59,000	44,204	30,021	9,257	750	4,176
Forage in Rotation						
Pasture Programs	20,000	4,202	3,152	1,050		
Forage Plots & Demos		1,120	840	280		
Bulk Forage Order						
Project Support/Planning						
Total	**85,000**	**58,985**	**41,107**	**12,952**	**750**	**4,176**
WILDLIFE						
DU Habitat Program						
Habitat Preservation (Stream Inv)	20,200	5,195	3,739	1,246		210
Oak Lake Aeration						
Wildlife Problems						
Total	**20,200**	**5,195**	**3,739**	**1,246**		**210**

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1 - SCHEDULE OF COST-SHARING

For the year ended March 31, 2006

	Revised	Total		District		
	Budget	Expenses	Provincial	Levies	Other	External
WATER						
Water Supply (Wells)	29,000	18,000	13,500	4,500		
Water Quality	23,600	16,110	3,082	1,028		12,000
Stony Watershed Plan						
Water Storage (Dams)	10,750	2,000	1,500	500		
Watershed Planning		21,333	16,000	5,333		
Grassed Waterways	6,700	1,977	1,483	494		
Riparian Management	71,850	48,155	31,222	10,407		6,526
Abandoned Wells	6,600	5,090	3,818	673	600	
Water Inventory & Investigation	13,300	28,572	3,147	1,050		24,374
Pipeline Plow	7,000	3,000	2,250	610	140	
Total	**168,800**	**144,237**	**76,002**	**24,595**	**740**	**42,900**
TOTAL	**393,500**	**332,424**	**201,648**	**65,727**	**1,490**	**63,559**
			61%	**20%**	**0%**	**19%**

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

For the year ended March 31, 2006

	2006	2005
Provincial grant receivable, beginning of the year	**$ 716**	$ 2,309
Add: Provincial grant received	**200,000**	200,000
Less: Provincial grant allocated	**201,649**	198,407
Provincial grant receivable, end of year	**$ 2,365**	716

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 3 - SCHEDULE OF EXPENDITURES - SUB-DISTRICT PROGRAMS

For the year ended March 31, 2006

	Pipestone/ Plum Creek	Stoney Creek	Jackson Creek	Gainsborough/ S. Antler	N. Pipestone/ Sifton	Central Souris River	**Total 2006**	Total 2005
Soil projects	8,944	9,504	9,504	8,944	8,944	8,944	**54,784**	58,120
Water projects	26,748	22,191	16,432	45,005	17,432	16,432	**144,240**	181,812
Wildlife projects	839	1,039	829	829	829	829	**5,194**	7,909
Grazing projects	700	700	700	700	700	700	**4,200**	495
Education projects	7,789						**7,789**	
	45,020	33,434	27,465	55,478	27,905	26,905	**216,207**	248,336

WHITEMUD WATERSHED CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2006

WHITEMUD WATERSHED CONSERVATION DISTRICT

MARCH 31, 2006

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THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Members of the Board of
Whitemud Watershed Conservation District
Neepawa, Manitoba

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2006 and the statements of operations and surplus for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2006 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Cost-Sharing presented by the District.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
May 1, 2006

100-125 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
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E-mail: info@exg.ca Website: www.exg.ca

WHITEMUD WATERSHED CONSERVATION DISTRICT

BALANCE SHEET
AS AT MARCH 31, 2006

	2006	2005
ASSETS		
CURRENT		
Cash	$ 779,683	$ 750,247
Accounts receivable	794,948	839,736
Inventory, note 2	44,320	50,353
Prepaid expenses and deposits	24,281	47,028
	1,643,232	1,687,364
CAPITAL ASSETS, notes 2 and 3	169,065	145,843
	$ 1,812,297	$ 1,833,207
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 64,725	$ 100,013
Unearned outside funding	40,550	15,782
Unearned municipal levies	31,660	57,329
	136,935	173,124
WATERSHED PROGRAMS SURPLUS		
SUB-DISTRICT PROGRAM	105,349	112,044
GENERAL BOARD PROGRAM	33,004	40,604
EQUIPMENT PROGRAM	163,555	168,718
INVENTORY PROGRAM	21,281	19,773
ROSEDALE FARM PROGRAM	-	6,241
PR/PTH CROSSING RESERVE	765,292	772,777
CMRM LTD. IN TRUST	33,693	32,920
EMERGENCY RESERVE	30,000	30,000
SICK LEAVE RESERVE	19,579	20,755
INFRASTRUCTURE PROGRAM	495,664	452,106
U-COUNT RESERVE	1,345	1,345
CONSERVATION AGREEMENT RESERVE FUND	5,600	2,800
WWCD LEGACY PROGRAM RESERVE FUND	1,000	-
	1,675,362	1,660,083
	$ 1,812,297	$ 1,833,207

LEASE COMMITMENT, note 4

APPROVED BY THE BOARD:

R C Rodgers ________ Director

Danny Post ________ Director

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2006

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal levies	$ 20,716	$ 22,206	$ 15,369	$ 18,275
Province of Manitoba	46,566	57,609	42,782	41,733
Other grants	-	265	-	-
Surveys in kind	992	259	1,639	-
	68,274	80,339	59,790	60,008
EXPENDITURES				
Channel maintenance				
Grassed waterways	-	-	-	-
Miscellaneous	998	-	-	1,722
Silt removal	10,695	6,572	1,210	17,768
Vegetation control	34,236	24,342	17,515	22,985
Conservation Agreement Fund	350	350	350	350
Crossings				
Repairs	2,918	8,952	5,234	7,329
Replacements	5,295	6,929	12,248	1,506
Infrastructure reserve	-	8,000	3,750	6,667
Land purchase	-	24,057	-	-
Superintendent's salary/expenses	7,947	5,960	5,298	3,974
Surveys	1,322	345	2,185	-
Water Storage Projects	-	-	15,538	360
	63,761	85,507	63,328	62,661
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	4,513	(5,168)	(3,538)	(2,653)
SURPLUS, beginning of year	12,278	8,892	19,922	22,801
SURPLUS, end of year	$ 16,791	$ 3,724	$ 16,384	$ 20,148

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2006

	Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43
REVENUE				
Municipal levies	$ 25,563	$ 11,949	$ 27,197	$ 52,814
Province of Manitoba	55,507	21,154	86,691	115,419
Other grants	1,808	904	-	-
Surveys in kind	259	129	388	1,078
	83,137	34,136	114,276	169,311
EXPENDITURES				
Channel maintenance				
Grassed waterways	14,350	6,447	-	-
Miscellaneous	1,406	1,909	4,981	6,589
Silt removal	1,644	-	5,046	21,456
Vegetation control	32,195	13,008	42,104	41,040
Conservation Agreement Fund	350	350	350	350
Crossings				
Repairs	14,480	219	27,695	41,428
Replacements	-	-	22,517	25,544
Infrastructure reserve	2,825	2,825	5,825	13,667
Land purchase	-	-	-	-
Superintendent's salary/expenses	9,934	6,622	13,245	13,245
Surveys	345	173	518	1,437
Water Storage Projects	-	-	-	4,590
	77,529	31,553	122,281	169,346
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	5,608	2,583	(8,005)	(35)
SURPLUS, beginning of year	10,890	8,125	6,268	22,868
SURPLUS (DEFICIT), end of year	$ 16,498	$ 10,708	$ (1,737)	$ 22,833

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Municipal levies	$ 194,089	$ 194,206
Province of Manitoba	467,461	458,715
Other grants	2,977	3,408
Surveys in kind	4,744	4,571
	669,271	660,900
EXPENDITURES		
Channel maintenance		
Grassed waterways	20,797	16,306
Miscellaneous	17,605	9,623
Silt removal	64,391	75,735
Vegetation control	227,425	232,455
Conservation Agreement Fund	2,800	2,800
Crossings		
Repairs	108,255	83,087
Replacements	74,039	86,135
Infrastructure reserve	43,559	79,559
Land purchase	24,057	-
Superintendent's salary and expenses	66,225	59,532
Surveys	6,325	6,095
Water Storage Projects	20,488	748
	675,966	652,075
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(6,695)	8,825
SURPLUS, beginning of year	112,044	103,219
SURPLUS, end of year	$ 105,349	$ 112,044

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - GENERAL BOARD PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Province of Manitoba	$ 238,357	$ 229,133
Municipal grants	41,581	40,000
Co-op equity	51	433
Forage program - landowner share	22,110	19,589
Gain on disposal of equipment	-	268
Individual contributions	1,902	3,268
Interest	16,089	21,134
Special project funding	2,961	33,723
Surveys in kind	-	1,524
Transfer from Rosedale Program	9,064	-
Transfer from Equipment program	4,445	6,759
	336,560	355,831
ADMINISTRATION EXPENDITURES		
Amortization	6,297	5,058
Insurance	1,415	1,438
Manager's expenses	12,787	15,385
Manager's salary	59,361	56,599
Office supplies	23,679	17,149
Professional fees	2,140	2,000
Rent	20,072	20,072
Secretary-Treasurer and Secretary salaries	51,457	45,491
	177,208	163,192
SPECIFIC PROGRAM EXPENDITURES		
Board remuneration and expense	52,668	47,381
Forage crops	29,480	26,119
Public education	34,869	23,575
Riparian	-	13,600
Shelterbelt weed control	12,944	9,142
Shelterbelts	18,052	15,092
Small tools	1,230	1,854
Soils demonstration and pipeline plow	374	2,749
Special project funding	1,820	21,739
Summer students	9,361	2,384
Water retention study	-	900
Wildlands	6,154	12,994
	166,952	177,529
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,600)	15,110
SURPLUS, beginning of year	40,604	25,494
SURPLUS, end of year	$ 33,004	$ 40,604

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - EQUIPMENT PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Rentals	$ 81,870	$ 74,447
EXPENDITURES		
Amortization	32,597	29,949
Fuel and oil	21,694	15,334
Insurance and licences	6,593	5,833
Loss on disposal of equipment	930	-
Repairs and maintenance	18,154	14,796
Salaries	2,620	1,769
Transfer to General Board Program	4,445	6,759
	87,033	74,440
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,163)	7
SURPLUS, beginning of year	168,718	168,711
SURPLUS, end of year	$ 163,555	$ 168,718

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - INVENTORY PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Sales	$ 21,884	$ 26,812
COST OF SALES		
Inventory, beginning of year	50,353	49,554
Purchases	12,203	23,156
	62,556	72,710
Inventory, end of year	44,320	50,353
	18,236	22,357
GROSS PROFIT	3,648	4,455
EXPENDITURES		
Amortization	244	244
Insurance	262	417
Salaries	885	1,273
Yard maintenance	749	823
	2,140	2,757
EXCESS OF REVENUE OVER EXPENDITURES	1,508	1,698
SURPLUS, beginning of year	19,773	18,075
SURPLUS, end of year	$ 21,281	$ 19,773

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - ROSEDALE FARM PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Forage sales	$ 32,482	$ 21,844
Crop share	-	3,176
	32,482	25,020
EXPENDITURES		
Fertilizer and rotovating	13,677	7,716
Harvesting	14,899	9,896
Miscellaneous	1,083	1,167
Transfer to General Board Program	9,064	-
	38,723	18,779
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(6,241)	6,241
SURPLUS, beginning of year	6,241	-
SURPLUS, end of year	$ -	$ 6,241

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - PR/PTH CROSSING PROGRAM
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Intergovernmental Affairs interest	$ 21,773	$ 17,376
EXPENDITURES		
Sub-district program # 36	1,840	-
Sub-district program # 38	1,840	-
Sub-district program # 39	-	2,753
Sub-district program # 42	4,312	-
Sub-district program # 43	21,266	10,288
	29,258	13,041
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,485)	4,335
SURPLUS, beginning of year	772,777	768,442
SURPLUS, end of year	$ 765,292	$ 772,777

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS - CMRM LTD. IN TRUST
YEAR ENDED MARCH 31, 2006

	2006	2005
REVENUE		
Interest	$ 773	$ 589
SURPLUS, beginning of year	32,920	32,331
SURPLUS, end of year	$ 33,693	$ 32,920

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2006

1. NATURE OF ORGANIZATION

The District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District is situated in south central Manitoba and its mandate is to provide soil and water stewardship and facilitate agricultural land drainage on a watershed basis. The District is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is generally determined on a first-in, first-out basis.

(b) Capital assets

Capital assets are recorded at cost. Amortization is provided annually on a straight-line basis as follows:

Buildings	-	5%
Equipment	-	15%
Fences	-	5%

(c) Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets carrying amount. Impairment is measured as the amount by which the assets carrying value exceeds its fair value. Any impairment is included in operations for the year.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Revenue recognition

The Province of Manitoba grants are recognized as revenue when the related expenses are incurred. Any excess or shortfall is shown as accounts receivable or accounts payable.

Municipal grants are recognized as revenue when received.

Other grants are recognized as revenue when the related expenses are incurred. If the related expenses are not incurred by the end of the year, the grant is deferred to future periods and shown as unexpended grants.

All other revenue is recognized when earned if the amount can be determined and collection is reasonably assured.

3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2006 Net Book Value	2005 Net Book Value
Land	$ 1,835	$ -	$ 1,835	$ 1,835
Buildings	34,282	23,385	10,897	11,872
Equipment	480,868	324,535	156,333	132,136
Fences	5,339	5,339	-	-
	$ 522,324	$ 353,259	$ 169,065	$ 145,843

4. LEASE COMMITMENT

The District occupies leased premises subject to a minimum annual rental of $20,072 expiring 2007.

5. SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2006, the aggregate amount of possible claims was approximately $81,782 (2005 - $71,540).

6. STATEMENT OF CASH FLOWS

A separate statement of cash flows is not presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements, or adequately disclosed in the notes to the financial statements.

7. FINANCIAL INSTRUMENTS

The District's financial instruments consist of cash, accounts receivable and unexpended grants. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

8. COMPARATIVE FIGURES

The comparative figures were obtained from financial statements audited by another firm of chartered accountants.

WHITEMUD WATERSHED CONSERVATION DISTRICT

SCHEDULE OF COST-SHARING
YEAR ENDED MARCH 31, 2006
(Unaudited)

	Total Expenditures	Provincial	District Levies	District Other	External
ADMINISTRATION					
Program Support/Planning	$ 37,601	$ 28,201	$ 9,400	$ -	$ -
Office Operation	53,603	36,503	-	17,100	-
	91,204	64,704	9,400	17,100	-
ASSETS					
Infrastructure Reserve Account (0/100)	43,558	-	43,558	-	-
Office Equipment	1,196	897	-	299	-
Land purchase	24,057	18,043	6,014	-	-
WWCD Legacy Program Reserve Fund	1,000	750	250	-	-
Conservation Reserve Fund	2,800	-	2,800	-	-
	72,611	19,690	52,622	299	-
PUBLIC EDUCATION					
Public education	107,253	80,440	12,952	13,861	-
SOILS					
Forage Assistance	29,480	7,370	-	22,110	-
Shelterbelt/Gully/Riparian/ Soils Demo	36,961	27,387	-	9,129	445
	66,441	34,757	-	31,239	445
WILDLIFE/FISHERIES					
Wildlife Preservation/ Treeplanting/Demo	154	115	-	39	-
Conservation Corridors	6,000	4,500	-	1,500	-
Fisheries Enhancement Initiative	232	-	-	-	232
	6,386	4,615	-	1,539	232
WATER					
Maintenance	413,050	308,588	102,863	-	1,599
New Projects/Reconstruction	20,488	15,366	5,122	-	-
Drainage Management Project	19,744	14,808	4,936	-	-
Surveys	6,325	-	1,581	-	4,744
	459,607	338,762	114,502	-	6,343
CROSSINGS					
Repairs	129,857	97,050	32,350	-	457
Replacements	87,961	65,800	21,933	-	228
PR/PTH Replacements	29,259	-	-	-	29,259
	247,077	162,850	54,283	-	29,944
TOTAL	$ 1,050,579	$ 705,818	$ 243,759	$ 64,038	$ 36,964
		67%	23%	6%	4%

WHITEMUD WATERSHED CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2006

	2006	2005
Provincial Grant	$ 700,000	$ 700,000
Less, receivable, beginning of year	3,379	15,533
	696,621	684,467
Less: Provincial allocation	705,818	687,846
Receivable, end of year	$ 9,197	$ 3,379